

CSG1



THE STATE OF NEW HAMPSHIRE

DEPARTMENT OF TRANSPORTATION



19

DEC 17 2025

William Cass, P.E.
Commissioner

David Rodrigue, P.E.
Assistant Commissioner

Michelle L. Winters
Deputy Commissioner

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, NH 03301

Bureau of Rail & Transit
October 2, 2025

REQUESTED ACTION

Authorize the New Hampshire Department of Transportation (NHDOT) to enter into **retroactive** agreements with eight (8) agencies operating public transit services, under Project #69101, for an amount not to exceed \$3,000,000 to provide state operating funds to match Federal Transit Administration (FTA) funds for the period July 1, 2025, through June 30, 2027, effective upon Governor and Council approval. 100% General Funds.

Funds are available in the following account for Fiscal Years 2026 and 2027, upon the availability and continued appropriation of funds in the future operating budget(s), with the authority to adjust encumbrances between fiscal years within the price limitation through the Budget Office, if needed and justified:

	<u>SFY 2026</u>	<u>SFY 2027</u>
04-96-96-964010-2916 Public Transportation		
073-509074 Grants Non-Federal	\$1,500,000	\$1,500,000

EXPLANATION

This **retroactive** request pertains to State (general-funded) Operating Match availed to 10 public transit systems operated by eight (8) agencies and as detailed in the funding table below. The request is retroactive as the funds are needed to match FTA funds programmed for the period of July 1, 2025, through June 30, 2027, and to align with the SFY 2026-2027 FTA §5311 Rural Area and §5307 Urbanized Area formula funding cycle. As required, the Governor and Executive Council previously approved each agency's FTA-funded operating agreements for this biennium, or the funds were transferred for their direct management with FTA; however, when these actions occurred, the Fiscal Year 2026-2027 State Operating Budget was not authorized, and the State (general-funded) Operating Match was not included in those actions. As Fiscal Year 2026-2027 State Operating Budget is now approved and includes these State Operating Match, this request seeks to align the timeframe with that of the federal funds.

The Department's approved FY 2026 and FY 2027 operating budget includes \$1,500,000, per year, of State general funds to assist eight (8) agencies, operating ten (10) public transit systems. Each agency provides public transportation services with the assistance of FTA §5311 Rural Area and §5307 Urbanized Area formula operating funds. This request will support public transit statewide and further benefit the State by being eligible as non-Federal match needed to leverage FTA funding, which generally requires a 50% match for operating expenses and 20% match for capital expenses.

The annual funding amount was determined based on tiered levels of public ridership and allocated to each agency as follows:

Vendor (Agency) Name Transit Agency Name(s)	Vendor #	FY 2026	FY 2027	Total
Tier 1: Less than 50,000 Rides				
Southwestern Community Services, Inc. • Sullivan County Transportation	177511	\$37,073	\$37,073	\$74,146
VNA at HCS, Inc. • Keene City Express	177274	\$37,073	\$37,073	\$74,146
Tri-County Community Action Program, Inc. • Carroll County Transit • North Country Transit	177195	\$74,146	\$74,146	\$148,292
	Tier 1 Subtotal	\$148,292	\$148,292	\$296,584
Tier 2: 50,000 to 200,000 Rides				
N/A				
Tier 3: Over 200,000 Rides				
Advance Transit Inc. • Advance Transit	166573	\$148,292	\$148,292	\$296,584
Community Action Program Belknap-Merrimack Counties, Inc. • Concord Area Transit	177203	\$148,292	\$148,292	\$296,584
City of Nashua • Nashua Transit System	157569	\$267,319	\$267,319	\$534,638
Cooperative Alliance for Seacoast Transportation • COAST	155553	\$347,271	\$347,271	\$694,542
Manchester Transit Authority • MTA • Cooperative Alliance for Regional Transportation (CART)	154782	\$440,534	\$440,534	\$881,068
	Tier 3 Subtotal	\$1,351,708	\$1,351,708	\$2,703,416
	Total (all Tiers)	\$1,500,000	\$1,500,000	\$3,000,000

Each of the attached eight (8) Agreements have been approved by the Attorney General as to form and execution and the Department has verified that the necessary funds are available. Copies of the fully executed contracts will be on file at the Secretary of State's Office and the Department of Administrative Services and will be on file at the Department of Transportation subsequent to Governor and Executive Council approval.

Your approval of this contract is respectfully requested. The Department of Transportation has determined that the vendors are in good standing with the Secretary of State's Office, has secured the required levels of insurance, and has provided evidence of authority to execute and be bound by the contract. Documents supporting these assertions are available at the agency, for review upon request.

Sincerely,



William J. Cass, P.E.
Commissioner

Attachments

Subject: SFY 2026 - 2027 State Operating Match

GRANT AGREEMENT

The State of New Hampshire and the Grantee hereby Mutually agree as follows:

GENERAL PROVISIONS

1. Identification and Definitions.

1.1. State Agency Name NH Department of Transportation		1.2. State Agency Address PO Box 483 & Hazen Dr. Concord, NH 03302-0483	
1.3. Grantee Name Southwestern Community Services, Inc.		1.4. Grantee Address 6 Kinney Place, Claremont, NH 03743-3748	
1.5. Grantee Phone # 603-542-9609	1.6. Account Number 04-96-96-964010-2916-0 72-500575	1.7. Completion Date June 30, 2027	1.8. Grant Limitation \$74,146
1.9. Grant Officer for State Agency Frederick Butler, Public Transportation Administrator, Bureau of Rail & Transit		1.10. State Agency Telephone Number 603-271-2565	
If Grantee is a municipality or village district: "By signing this form we certify that we have complied with any public meeting requirement for acceptance of this grant, including if applicable RSA 31:95-b."			
1.11. Grantee Signature 1 <i>Beth Daniels</i>		1.12. Name & Title of Grantee Signor 1 <i>Beth Daniels, CEO</i>	
Grantee Signature 2 N/A		Name & Title of Grantee Signor 2 N/A	
Grantee Signature 3 N/A		Name & Title of Grantee Signor 3 N/A	
1.13. State Agency Signature(s) <i>Michelle Winters</i>		1.14. Name & Title of State Agency Signor(s) Michelle Winters, Deputy Commissioner	
1.15. Approval by Attorney General (Form, Substance and Execution) (if G & C approval required) By <i>Christina Winters</i> Assistant Attorney General, On: <i>10/26/25</i>			
1.16. Approval by Governor and Council (if applicable) By: _____ On: _____			

2. SCOPE OF WORK: In exchange for grant funds provided by the State of New Hampshire, acting through the Agency identified in block 1.1 (hereinafter referred to as "the State"), the Grantee identified in block 1.3 (hereinafter referred to as "the Grantee"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT B (the scope of work being hereinafter referred to as "the Project").

Contractor Initials BD
Date 08/08/25

3. **AREA COVERED.** Except as otherwise specifically provided for herein, the Grantee shall perform the Project in, and with respect to, the State of New Hampshire.
4. **EFFECTIVE DATE: COMPLETION OF PROJECT.**
- 4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire if required (block 1.16), or upon signature by the State Agency as shown in block 1.14 ("the Effective Date").
- 4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.7 (hereinafter referred to as "the Completion Date").
5. **GRANT AMOUNT: LIMITATION ON AMOUNT: VOUCHERS: PAYMENT.**
- 5.1. The Grant Amount is identified and more particularly described in EXHIBIT C, attached hereto.
- 5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT C.
- 5.3. In accordance with the provisions set forth in EXHIBIT C, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.
- 5.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.
- 5.5. Notwithstanding anything 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 Grant limitation set forth in block 1.8 of these general provisions.
6. **COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS.** In connection with the performance of the Project, the Grantee shall comply with all statutes, laws regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Grantee, including the acquisition of any and all necessary permits and RSA 31-95-b.
7. **RECORDS and ACCOUNTS.**
- 7.1. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency, the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.
- 7.2. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency pursuant to subparagraph 7.1, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in block 1.3 of these provisions
8. **PERSONNEL.**
- 8.1. The Grantee shall, at its own expense, provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.
- 8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.
- 8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.
9. **DATA: RETENTION OF DATA: ACCESS.**
- 9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations,
- computer programs, computer printouts, notes, letters, memoranda, paper, and documents, all whether finished or unfinished.
- 9.2. Between the Effective Date and the Completion Date the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data examination, duplication, publication, translation, sale, disposal, or for any purpose whatsoever.
- 9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State.
- 9.4. On and after the Effective Date 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, whichever shall first occur.
- 9.5. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.
10. **CONDITIONAL NATURE OR AGREEMENT.** Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.
11. **EVENT OF DEFAULT: REMEDIES.**
- 11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):
- 11.1.1 Failure to perform the Project satisfactorily or on schedule; or
- 11.1.2 Failure to submit any report required hereunder; or
- 11.1.3 Failure to maintain, or permit access to, the records required hereunder; or
- 11.1.4 Failure to perform any of the other covenants and conditions of this Agreement.
- 11.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
- 11.2.1 Give the Grantee 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 Grantee notice of termination; and
- 11.2.2 Give the Grantee a written notice specifying the Event of Default and suspend all payments to be made under this Agreement and ordering that the portion of Grant Amount which would otherwise accrue to the Grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and
- 11.2.3 Set off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and
- 11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity, or both.
12. **TERMINATION.**
- 12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.
- 12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligations hereunder.
- 12.3. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice default has been given to the Grantee hereunder, the Grantee, may terminate this Agreement without cause upon thirty (30) days written notice.
- 12.4. **CONFLICT OF INTEREST.** No officer, member of employee of the Grantee, and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or

- approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.
14. **GRANTEE'S RELATION TO THE STATE.** In the performance of this Agreement the Grantee, its employees, and any subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.
15. **ASSIGNMENT AND SUBCONTRACTS.** The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Grantee other than as set forth in Exhibit B without the prior written consent of the State.
16. **INDEMNIFICATION.** The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or subcontractor, or subgrantee or other agent of the Grantee. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.
17. **INSURANCE.**
- 17.1 The Grantee shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:
- 17.1.1 Statutory workers' compensation and employees liability insurance for all employees engaged in the performance of the Project, and
- 17.1.2 General liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury or death any one incident, and \$500,000 for property damage in any one incident; and
- 17.2. The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Grantee shall furnish to the State, certificates of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy.
18. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure of waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Grantee.
19. **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 first above given.
20. **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 Council of the State of New Hampshire, if required or by the signing State Agency.
21. **CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intend of the parties hereto.
22. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.
23. **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 relating hereto.
24. **SPECIAL PROVISIONS.** The additional or modifying provisions set forth in Exhibit A hereto are incorporated as part of this agreement.

EXHIBITS TO AGREEMENT

EXHIBIT A **Special Provisions**

EXHIBIT B **Scope of Services**

EXHIBIT C **Budget**

Certificate of Good Standing

Certificate of Corporate Vote

Certificate of Insurance

Social Service Documents to Include:

501 (c)

Financial Report

Board of Directors

Key Personnel and Salaries

Resumes

EXHIBIT A
SPECIAL PROVISIONS

There are no modifications, deletions, or additions to the General Provisions in Form G-1.

EXHIBIT B
SCOPE OF SERVICES

B.1 Southwestern Community Services, Inc. (SCS), (hereinafter the "Grantee") shall follow the terms and conditions applicable to State Operating Match funds, put forth through the New Hampshire Department of Transportation, 7 Hazen Drive, Concord, NH 03302-0483 (hereinafter referred to as "Department"), as follows:

1.1 State Operating Match funds shall be used to provide a portion of the non-federal funds required to match Federal Transit Administration (FTA) funds for the operation of public transportation services provided by the Grantee, which are further detailed on the Grantee's website.

1.2 State Operating Match funds will be provided by the State as shown in Exhibit C; Budget.

**EXHIBIT C
BUDGET**

- C.1 The Grant Limitation, as defined in G-1, Section 1.8 of the Grant Agreement, are respective of State Operating Match funds and is granted as follows:

State Operating Match	FY 2026	FY 2027
Southwestern Community Services, Inc.	\$37,073	\$37,073
Total Two-Year State Operating Match	\$74,146	

- 1.1 Funds are contingent upon State appropriations for each year of the biennium.
- C.2 Reimbursement of the State Operating Match should be requested through invoices submitted to the State, no more than once a month, within the year of appropriation.
- 2.1 The final invoice for each year of appropriation shall be submitted to the State no later than June 10th.
- C.3 The Grantee's submitted invoices shall indicate the month(s) for which the State Operating Match is being applied and the amount of Federal Transit Administration (FTA) funds the State Operating Match is leveraging, and the FTA grant program from which the Grantee will draw down the FTA funds.
- 3.1 The Grantee shall use the Excel invoice template provided by the State for each reimbursement request.

State of New Hampshire

Department of State

CERTIFICATE

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

Business ID: **65514**

Certificate Number: **0007142018**



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. 2025.

A handwritten signature in black ink, appearing to read "David M. Scanlan".

David M. Scanlan
Secretary of State

CERTIFICATE OF AUTHORITY

I, Kevin Watterson hereby certify that:
(Name of the elected Clerk/Secretary/Officer of Corporation/LLC)

1. I am a duly elected Clerk/Secretary/Officer of Southwestern Community Services Inc.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on June 14, 2024, at which a quorum of the Directors/shareholders were present and voting.
(Date)

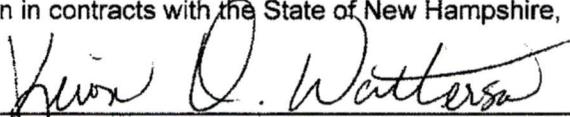
VOTED: That Beth Daniels, CEO (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Southwestern Community Services Inc. to enter into contracts or agreements with
(Name of Corporation/ LLC)

the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. 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/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30) days** from the date of this Certificate of Authority. 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: 8/7/2025



Signature of Elected Officer
Name: Kevin Watterson
Title: Chairperson

NONPROFIT COVER SHEET

A. Entity Name: Southwestern Community Services, Inc.

B. Entity's Contact Information:

For Records Requests (e.g., resumes of key personnel; audited financial statements):

Name / Phone / Email: Beth Daniels, 603-719-4130, bdaniels@scshelps.org

Person responsible for Accuracy and Completeness of information provided:

Name: Beth Daniels Title: Chief Executive Officer

Signature: _____

C. List Board of Directors and Affiliations

<u>Name (Identify any additional role(s) in Parentheses)</u> E.g., John Doe (President)	<u>Affiliations</u>
Kevin Watterson (Chair)	Clarke Companies (Ret.); Keene Swamp Bats
David Edikins (Vice Chair)	Town of Walpole
Dominic Perkins (Treasurer/Secretary)	Sr. VP, Retail Administration Savings Bank of Walpole
Ron Nason (Member)	SCS Tenant
Taralyn Bielaski (Member)	Dartmouth Hitchcock, Public Health
Heather Cameron (Member)	Head Start Policy Council/Parent Representative
Anne Beattie (Member)	Newport Service Organization
Kerry Belknap Morris, M. ED. (Member)	Early Childhood Education/River Valley Community College
Jay Kahn (Member)	Mayor, City of Keene
Derek Ferland (Member)	Sullivan County Manager
Andy Bohannon (Member)	Assistant Manager, City of Keene

D. List Key Personnel (Resumes must be available upon request to the person(s) listed in section B or may be attached):

<u>Name</u>	<u>Role</u>	<u>Annual Salary</u>	<u>Amount Paid From This Contract</u>
Beth Daniels	Chief Executive Officer	\$142,000	\$0
Margaret Freeman	Chief Financial Officer	131,029	\$0

DISCLOSURE OF LEGAL ACTIVITIES INVOLVING THE STATE OF NEW HAMPSHIRE OR ANOTHER GOVERNMENT ENTITY

E. Check one of the following:

- [X] The entity is **not currently or has not been** party to any legal proceedings involving the State of New Hampshire (or any agency or subdivision thereof) or any other state/federal government entity before any adjudicative body in any jurisdiction **ORX**
- [] The entity is or has been party to one or more legal proceedings as set forth above. Identify the jurisdiction, court or other adjudicative body, case number, and briefly describe the nature of the proceeding (Attached extra sheet if necessary).

CHARITABLE TRUSTS UNIT COMPLIANCE CERTIFICATION

F. Check one of the following:

- [X] is registered and in good standing with the New Hampshire Department of Justice Charitable Trusts Unit (** see note below) **or** has submitted a complete application for registration to the Charitable Trusts Unit and is awaiting a registration determination **OR**
- [] is not required to register with the Charitable Trusts Unit because it is neither tax-exempt under section 501(c)(3) of the Internal Revenue Code nor engages in charitable solicitations in the State of New Hampshire **OR**
- [] is exempt from registration with the Charitable Trusts Unit because it is a federal or state government, agency, or subdivision or is a religious organization, an integrated auxiliary of a religious organization, or is a convention or association of churches.

** Note: Attached screen shot from the DOJ Registered Charities List found at:

<https://mm.nh.gov/files/uploads/doj/remote-docs/registered-charities.pdf>

New Hampshire Department of Justice

Registered Charities List

Charitable Trusts Unit

G = Good Standing; X = Not in Good Standing; S = Suspended

1387	Southwestern Community Services, Inc.	PO Box 603 63 Community Way	Keene	NH	03431	G	4/15/2026
------	---------------------------------------	--------------------------------	-------	----	-------	---	-----------

FINANCIAL DISCLOSURES

G. Check one the following:

- [X] The organization hired an outside firm to audit its financial statements or to prepare GAAP-compliant financial statements for its most recently completed fiscal year. If so, please ensure that the financial statements and audit results are available to be requested from the contact listed on Page 1 (audited financials may be attached) OR
- [] The above does not apply, but the organization filed an IRS Form 990 or Form 990-EZ for its most recently completed fiscal year. Please attach that IRS Form 990 or Form 990-EZ to the submission. (Form 990 Schedule B is not required) **OR**
- [] ***If neither of the above apply***, complete the Income Statement and Balance Sheet below with the following basic financial information from the organization’s most recently completed fiscal year:

1. INCOME STATEMENT

	<u>Revenue</u>		<u>Expenses</u>
<i>Grants</i>	\$	<i>Compensation of officers, directors, and key personnel</i>	\$
<i>Donations</i>	\$		
<i>Program Services Revenue</i>	\$	<i>Other salaries & wages</i>	\$
<i>Interest & Dividends</i>	\$	<i>Payroll taxes & employee benefits</i>	\$
<i>All other Revenue</i>	\$	<i>Occupancy, rent, utilities, and insurance</i>	\$
<u>Total Revenue</u>	\$	<i>Printing, publications, postage, office supplies, and IT</i>	\$
		<i>All other expenses</i>	\$
		<u>Total Expenses</u>	\$

2. BALANCE SHEET

<u>Assets</u>		<u>Liabilities</u>	
<i>Cash & Equivalents</i>	\$	<i>Accounts Payable</i>	\$
<i>Investments</i>	\$	<i>Loans Payable</i>	\$
<i>Real Estate (less any depreciation)</i>	\$	<i>All other liabilities</i>	\$
<i>Other Property & Equipment (less any depreciation)</i>	\$	<u>Total Liabilities</u>	\$
<i>Pledges, grants, accounts receivable</i>	\$		
<i>All other assets</i>	\$		
<u>Total Assets</u>	\$		

Internal Revenue Service
District Director

Department of the Treasury
P.O. BOX 9081
J.F. KENNEDY POST OFFICE
BOSTON, MA. 02203

Date: JAN 05 1979

Person to Contact:
Marilyn Hamilton
Contact Telephone Number:
(617) 223-1498

Southwestern Community Services, Inc.
40 Mechanic Street
Keene, New Hampshire 03431

Date of Exemption: March, 1966
Internal Revenue Code Section: 501(c)(3)

Gentlemen:

Thank you for submitting the information shown below. We have made it a part of your file.

The changes indicated do not adversely affect your exempt status and the exemption letter issued to you continues in effect.

Please let us know about any future change in the character, purpose, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

Thank you for your cooperation.

Sincerely yours,



H.B. Mosher
District Director

Item Changed
Name

From
Sullivan and Cheshire
County Community Action
Associates

To
Southwestern
Community Services,
Inc.

Registration for Tax-Free Transactions Under Chapter 32 of the Internal Revenue Code

This Application Should Also Be Used by Producers and Importers
of Gasoline and Manufacturers of Lubricating Oil

For District Director's Use Only

No. 02-74-0051-I

Please type or print	Name of individual, corporation, partnership, association, etc. Dulliver Machine Co., Inc. 2000	Social Security or Employer Identification Number 02-6013808
	Name under which business is operated DURE	Will you be required to file Form 720? <input type="checkbox"/> Yes <input type="checkbox"/> No
	Business address (Number and street) 10 Macomber Street, Peens, N. I. 03431	File this application in duplicate with your District Director of Internal Revenue. See the instructions on pages 2 and 4.
	City, State, and ZIP code Peens, N. I. 03431	

Application is hereby made for a Certificate of Registry in the name(s) indicated above. The applicant is a:

Manufacturer Producer Importer Wholesaler Jobber Selling or Purchasing (specify type of product) Retailer Other (specify) Road Tar

The applicant affirms that use of articles purchased or sold tax-free is to be for the exempt purposes specified in the applicable provisions of the law and regulations and understands that misuse of this certificate will lead to its revocation and/or the penalties provided by law.

See item 2 on page 2 and check applicable letter(s). I qualify as a:
 a, b, c, d, e, f, g, h, i, j, k, l, m, and/or n (other—specify)

Under the penalties of perjury, I declare that I have examined this application and to the best of my knowledge and belief it is true, correct, and complete.

Signature: *William A. Marcello* Title: *Program Director* Date: *7-1-74*

District Director's Validation

A certificate of registry for the above applicant is approved and issued under the number shown.

Frank Murphy
District Director of Internal Revenue

By: *Russell E. Mersereau* Date: *7-5-74*
Russell E. Mersereau, Chief, Review Staff

Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC.
AND RELATED COMPANIES

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023
AND
INDEPENDENT AUDITORS' REPORT
AND
REPORTS ON COMPLIANCE AND INTERNAL CONTROL**

*Leone,
McDonnell
& Roberts*
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1 - 3
Financial Statements:	
Consolidated Statements of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statements of Functional Expenses	6 - 7
Consolidated Statements of Cash Flows	8 - 9
Notes to Consolidated Financial Statements	10 - 32
Supplementary Information:	
Consolidated Schedules of Functional Revenues and Expenses	33 - 34
Schedule of Expenditures of Federal Awards	35 - 37
Notes to Schedule of Expenditures of Federal Awards	38
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	39 - 40
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	41 - 43
Schedule of Findings and Questioned Costs	44

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Southwestern Community Services, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statements of financial position as of May 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Southwestern Community Services, Inc. and related companies as of May 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southwestern Community Services, Inc. and related companies and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated 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 Southwestern Community Services, Inc. and related companies' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 and *Government 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 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Southwestern Community Services, Inc. and related companies' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Southwestern Community Services, Inc. and related companies' 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 Summarized Comparative Information

We have previously audited Southwestern Community Services, Inc. and related companies' 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 24, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024, on our consideration of Southwestern Community Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Southwestern Community Services, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southwestern Community Services, Inc.'s internal control over financial reporting and compliance.

Leone McDonnell & Roberts
Professional Association

Wolfeboro, New Hampshire
December 13, 2024

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MAY 31, 2024 AND 2023****ASSETS**

	<u>2024</u>	<u>2023</u> <u>(As Restated)</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,218,833	\$ 2,237,914
Accounts receivable, net	1,669,491	2,027,517
Prepaid expenses	<u>230,749</u>	<u>157,449</u>
Total current assets	<u>4,119,073</u>	<u>4,422,880</u>
PROPERTY		
Land and buildings	35,018,214	30,392,465
Vehicles and equipment	669,654	647,670
Furniture and fixtures	<u>1,233,681</u>	<u>983,264</u>
Total property	36,921,549	32,023,399
Less accumulated depreciation	<u>19,589,511</u>	<u>16,520,026</u>
Property, net	<u>17,332,038</u>	<u>15,503,373</u>
OTHER ASSETS		
Investment in related parties	57,683	64,178
Right of use asset	68,167	98,159
Due from related parties	37,647	53,895
Cash escrow and reserve funds	1,831,509	1,556,493
Security deposits	133,140	111,044
Other assets	<u>-</u>	<u>384</u>
Total other assets	<u>2,128,146</u>	<u>1,884,153</u>
Total assets	<u>\$ 23,579,257</u>	<u>\$ 21,810,406</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 329,964	\$ 239,270
Accrued expenses	199,146	158,107
Accrued payroll and payroll taxes	129,890	235,401
Other current liabilities	177,631	166,988
Refundable advances	297,427	1,049,917
Current portion of lease liability	32,945	32,364
Current portion of Economic Injury Disaster Loan	3,788	3,685
Current portion of long term debt	<u>190,399</u>	<u>183,158</u>
Total current liabilities	<u>1,361,190</u>	<u>2,068,890</u>
NONCURRENT LIABILITIES		
Accrued interest	215,232	-
Long term lease liability, less current portion shown above	35,222	65,795
Economic Injury Disaster Loan, less current portion shown above	141,564	144,966
Long term debt, less current portion shown above	<u>12,177,088</u>	<u>11,103,983</u>
Total noncurrent liabilities	<u>12,569,106</u>	<u>11,314,744</u>
Total liabilities	<u>13,930,296</u>	<u>13,383,634</u>
NET ASSETS		
Without donor restrictions	9,552,738	8,303,380
With donor restrictions	<u>96,223</u>	<u>123,392</u>
Total net assets	<u>9,648,961</u>	<u>8,426,772</u>
Total liabilities and net assets	<u>\$ 23,579,257</u>	<u>\$ 21,810,406</u>

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2024
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Total</u>	<u>2023 (As Restated)</u>
REVENUES AND OTHER SUPPORT				
Government contracts	\$ 15,733,967	\$ -	\$ 15,733,967	\$ 23,407,391
Program service fees	2,626,199	-	2,626,199	2,480,960
Rental income	1,938,308	-	1,938,308	1,873,226
Support	605,479	35,790	641,269	715,146
Sponsorship	40,865	-	40,865	8,197
Interest income	27,215	-	27,215	18,235
Forgiveness of debt	89,089	-	89,089	166,931
Miscellaneous	198,447	-	198,447	104,742
In-kind contributions	64,736	-	64,736	69,852
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues and other support	21,324,305	35,790	21,360,095	28,844,680
NET ASSETS RELEASED FROM RESTRICTIONS				
	62,959	(62,959)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues, other support, and net assets released from restrictions	21,387,264	(27,169)	21,360,095	28,844,680
EXPENSES				
Program services				
Home energy programs	8,791,961	-	8,791,961	9,895,617
Education and nutrition	3,363,127	-	3,363,127	3,090,471
Homeless programs	2,418,438	-	2,418,438	9,417,446
Housing services	3,070,415	-	3,070,415	3,113,505
Economic development services	1,114,069	-	1,114,069	731,021
Other programs	822,929	-	822,929	678,220
	<hr/>	<hr/>	<hr/>	<hr/>
Total program services	19,580,939	-	19,580,939	26,926,280
Supporting activities				
Management and general	2,344,056	-	2,344,056	2,360,358
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	21,924,995	-	21,924,995	29,286,638
CHANGE IN NET ASSETS BEFORE GAIN (LOSS) ON SALE OF PROPERTY				
	(537,731)	(27,169)	(564,900)	(441,958)
GAIN (LOSS) ON SALE OF ASSETS				
	331,439	-	331,439	2,936
LOSS ON INVESTMENT IN LIMITED PARTNERSHIPS				
	(9,138)	-	(9,138)	(30,052)
CHANGE IN NET ASSETS				
	(215,430)	(27,169)	(242,599)	(469,074)
NET ASSETS, BEGINNING OF YEAR, AS ORGINALLY STATED				
	8,303,380	123,392	8,426,772	8,698,976
PRIOR PERIOD ADJUSTMENT				
	-	-	-	196,870
NET ASSETS, BEGINNING OF YEAR, AS RESTATED				
	8,303,380	123,392	8,426,772	8,895,846
NET ASSETS TRANSFERRED FROM LIMITED PARTNERSHIPS				
	1,464,788	-	1,464,788	-
	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS, END OF YEAR	\$ 9,552,738	\$ 96,223	\$ 9,648,961	\$ 8,426,772

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2024**

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2024 Total
Payroll	\$ 849,101	\$ 2,041,801	\$ 387,874	\$ 659,342	\$ 430,638	\$ 514,757	\$ 4,883,513	\$ 968,229	\$ 5,851,742
Payroll taxes	68,315	160,163	30,182	48,854	35,038	40,275	382,827	72,854	455,681
Employee benefits	163,113	398,174	106,715	266,079	51,396	134,289	1,121,766	258,291	1,380,057
Retirement	48,208	122,411	21,506	53,495	19,548	32,795	297,963	85,867	383,830
Advertising	-	12,042	2,098	1,053	8,590	2,864	26,647	4,402	31,049
Bank charges	39	-	51	1,249	-	16	1,355	11,480	12,835
Bad debt expense	-	15	2,510	-	-	-	2,525	-	2,525
Computer cost	3,190	22,287	13,957	30,408	20,510	-	90,352	137,626	227,978
Contractual	1,413,029	23,971	42,201	2,972	9,999	12,855	1,505,027	73,205	1,578,232
Depreciation	-	29,359	170,561	681,070	-	11,183	892,173	167,407	1,059,580
Dues/registration	-	5,280	-	432	468	405	6,585	1,189	7,774
Duplicating	2,096	16,762	-	-	-	-	18,858	10,479	29,337
Insurance	7,303	16,239	39,700	87,801	19,085	7,947	178,075	-	178,075
Interest	-	3,328	6,163	50,646	-	946	61,083	106,737	167,820
Meeting and conference	9,791	592	451	6,122	7,197	6,940	31,093	17,685	48,778
Miscellaneous expense	471	1,508	1,312	127,587	6,984	142	138,004	23,098	161,102
Miscellaneous taxes	-	-	-	127,873	-	-	127,873	375	128,248
Equipment purchases	6,959	3,134	-	6,361	-	-	16,454	799	17,253
Office expense	37,963	12,158	10,520	18,444	8,947	7,052	95,084	20,280	115,364
Postage	690	262	-	131	132	-	1,215	33,311	34,526
Professional fees	945	-	9,258	33,081	-	-	43,284	101,021	144,305
Staff development and training	12,436	110	2,032	1,460	-	1,064	17,102	14,853	31,955
Subscriptions	-	-	-	123	-	40	163	3,855	4,018
Telephone	6,588	15,302	26,549	17,019	2,596	2,718	70,772	65,970	136,742
Travel	9,201	15,543	66,079	8,087	53,272	886	153,068	6,060	159,128
Vehicle	19,809	236	1,571	19,644	82,277	13,551	137,088	2,463	139,551
Rent	19,440	12,000	-	-	-	-	31,440	-	31,440
Space costs	10,127	193,388	504,040	809,379	17,852	133	1,534,919	156,520	1,691,439
Direct client assistance	6,103,147	192,326	971,108	11,703	339,540	32,071	7,649,895	-	7,649,895
In-kind expenses	-	64,736	-	-	-	-	64,736	-	64,736
TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION	8,791,961	3,363,127	2,418,438	3,070,415	1,114,069	822,929	19,580,939	2,344,056	21,924,995
Allocation of management and general expenses	<u>1,052,495</u>	<u>402,604</u>	<u>289,514</u>	<u>367,563</u>	<u>133,366</u>	<u>98,514</u>	<u>2,344,056</u>	<u>(2,344,056)</u>	<u>-</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 9,844,456</u>	<u>\$ 3,765,731</u>	<u>\$ 2,707,952</u>	<u>\$ 3,437,978</u>	<u>\$ 1,247,435</u>	<u>\$ 921,443</u>	<u>\$ 21,924,995</u>	<u>\$ -</u>	<u>\$ 21,924,995</u>

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2023**

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2023 Total
Payroll	\$ 694,298	\$ 1,847,987	\$ 633,731	\$ 625,222	\$ 353,418	\$ 441,854	\$ 4,596,510	\$ 918,734	\$ 5,515,244
Payroll taxes	57,891	151,663	50,582	49,028	30,751	36,239	376,154	67,510	443,664
Employee benefits	132,466	360,268	144,229	212,369	35,364	128,121	1,012,817	163,746	1,176,563
Retirement	35,253	105,574	38,176	44,702	15,838	26,598	266,141	83,144	349,285
Advertising	3,510	7,035	1,706	3,611	2,333	-	18,195	1,524	19,719
Bank charges	10	-	23	4,175	-	-	4,208	8,243	12,451
Computer cost	22,147	21,189	21,646	28,550	19,001	-	112,533	147,767	260,300
Contractual	751,082	15,648	35,804	21,229	32,679	11,039	867,481	117,724	985,205
Depreciation	-	28,865	159,460	692,182	-	7,700	888,207	148,562	1,036,769
Dues/registration	-	4,480	-	1,080	468	267	6,295	11,110	17,405
Duplicating	1,469	12,587	-	-	-	-	14,056	16,742	30,798
Insurance	13,455	16,378	38,947	70,125	19,755	9,030	167,690	44,378	212,068
Interest	-	3,940	5,205	54,004	-	428	63,577	108,653	172,230
Meeting and conference	13,891	156	896	3,962	4,153	901	23,959	15,367	39,326
Miscellaneous expense	1,205	2,599	45	130,108	13,041	1,164	148,162	36,401	184,563
Miscellaneous taxes	-	-	-	122,213	-	-	122,213	451	122,664
Equipment purchases	7,732	3,636	-	7,983	-	-	19,351	590	19,941
Office expense	66,290	12,574	31,714	12,403	10,330	1,830	135,141	33,063	168,204
Postage	1,378	226	176	123	484	-	2,387	37,767	40,154
Professional fees	2,825	-	6,559	32,642	-	-	41,926	99,770	141,696
Staff development and training	10,191	1,323	1,065	6,558	1,760	1,228	22,125	24,323	46,448
Subscriptions	-	-	-	115	-	-	115	327	442
Telephone	7,081	4,984	29,729	19,282	1,771	1,898	64,745	60,155	124,900
Travel	7,440	19,611	128,830	10,111	38,103	-	204,085	6,650	210,745
Vehicle	15,962	551	1,653	25,000	83,361	7,639	134,166	772	134,938
Rent	19,200	13,900	-	-	-	-	33,100	-	33,100
Space costs	18,019	244,532	554,835	922,645	15,968	-	1,755,999	160,957	1,916,956
Direct client assistance	8,012,822	140,913	7,532,435	14,183	52,443	2,284	15,755,080	45,928	15,801,008
In-kind expenses	-	69,852	-	-	-	-	69,852	-	69,852
TOTAL FUNCTIONAL EXPENSES BEFORE GENERAL AND MANAGEMENT ALLOCATION	9,895,617	3,090,471	9,417,446	3,113,505	731,021	678,220	26,926,280	2,360,358	29,286,638
Allocation of management and general expenses	<u>867,450</u>	<u>270,911</u>	<u>825,533</u>	<u>272,930</u>	<u>64,081</u>	<u>59,453</u>	<u>2,360,358</u>	<u>(2,360,358)</u>	<u>-</u>
TOTAL FUNCTIONAL EXPENSES	\$ 10,763,067	\$ 3,361,382	\$ 10,242,979	\$ 3,386,435	\$ 795,102	\$ 737,673	\$ 29,286,638	\$ -	\$ 29,286,638

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**CONSOLIDATED STATEMENTS OF CASH FLOWS**
FOR THE YEARS ENDED MAY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (242,599)	\$ (469,074)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	1,059,580	1,036,769
Amortization of deferred financing costs	662	662
Gain on sale of assets	(331,439)	(2,936)
Loss on investment in limited partnerships	9,138	30,052
Forgiveness of debt	(89,089)	(166,931)
Decrease (increase) in assets:		
Accounts receivable, net	358,026	(281,565)
Prepaid expenses	(64,541)	86,541
Due from related parties	13,935	(6,329)
Security deposits	(5,595)	(11)
Other assets	384	-
(Decrease) increase in liabilities:		
Accounts payable	87,717	31,235
Accrued expenses	21,212	(71,003)
Accrued payroll and payroll taxes	(105,511)	(118,385)
Other current liabilities	10,643	8,016
Refundable advances	(752,490)	(272,835)
NET CASH USED IN OPERATING ACTIVITIES	<u>(29,967)</u>	<u>(195,794)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property	418,812	3,301
Purchase of property	(363,642)	(467,807)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>55,170</u>	<u>(464,506)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term debt	6,377	8,581
Repayment of long term debt	(204,221)	(187,127)
NET CASH USED IN FINANCING ACTIVITIES	<u>(197,844)</u>	<u>(178,546)</u>
NET DECREASE IN CASH AND RESTRICTED CASH	(172,641)	(838,846)
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	<u>3,794,407</u>	<u>4,633,253</u>
CASH AND RESTRICTED CASH TRANSFERRED FROM LIMITED PARTNERSHIPS	<u>428,576</u>	<u>-</u>
CASH AND RESTRICTED CASH, END OF YEAR	<u>\$ 4,050,342</u>	<u>\$ 3,794,407</u>

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 167,158</u>	<u>\$ 171,568</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Property financed by long term debt	<u>\$ 253,318</u>	<u>\$ 227,421</u>
Transfer of assets from newly consolidated LPs:		
Prepaid expenses	\$ 8,759	\$ -
Land and buildings	2,112,578	-
Furniture and fixtures	227,560	-
Equipment	18,520	-
Security deposits	<u>16,501</u>	<u>-</u>
Total transfer of assets from newly consolidated LPs	<u>\$ 2,383,918</u>	<u>\$ -</u>
Transfer of liabilities from newly consolidated LPs:		
Accounts payable	\$ 2,977	\$ -
Accrued expenses	19,827	-
Accrued interest	215,232	-
Due to related parties	2,313	-
Long term debt	<u>1,110,000</u>	<u>-</u>
Total transfer of liabilities from newly consolidated LPs	<u>\$ 1,350,349</u>	<u>\$ -</u>
Total partners' capital from newly consolidated LPs	1,462,145	-
Partners' capital previously recorded as investment in related parties	<u>2,643</u>	<u>-</u>
Total transfer of partner's capital from new consolidated LP	<u>\$ 1,464,788</u>	<u>\$ -</u>
CASH AND RESTRICTED CASH:		
Cash and cash equivalents	\$ 2,218,833	\$ 2,237,914
Cash escrow and reserve funds	<u>1,831,509</u>	<u>1,556,493</u>
Total cash and restricted cash	<u>\$ 4,050,342</u>	<u>\$ 3,794,407</u>

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023

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

General

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

Principles of Consolidation

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

- SCS Management Corporation
- SCS Housing, Inc.
- SCS Development Corporation
- SCS Housing Development, Inc.
- Drewsville Carriage House Associates, Limited Partnership (Drewsville)
Sold June 2023
- Troy Senior Housing Associates, Limited Partnership (Troy Senior)
- Keene East Side Senior Housing Associates, Limited Partnership (Keene East Side)
- Winchester Senior Housing Associates, Limited Partnership (Winchester)
- Swanzey Township Housing Associates, Limited Partnership (Swanzey)
- Snow Brook Meadow Village Housing Associates, Limited Partnership (Snow Brook)
- Keene Highland Housing Associates, Limited Partnership (Keene Highland)
- Warwick Meadow Housing Associates, Limited Partnership (Warwick)
- Railroad Square Senior Housing Limited Partnership (Railroad Square)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

Basis of Accounting

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

Basis of Presentation

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

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

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

As of May 31, 2024 and 2023, the Organization had net assets without donor restrictions and with donor restrictions (see **Note 12**).

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended May 31, 2023 from which the summarized information was derived.

Estimates

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

Cash and Cash Equivalents

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

Concentration of Credit Risk

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

Current Vulnerability Due to Certain Concentrations

The Organization is operated in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or Legislature. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change. For the years ended May 31, 2024 and 2023, approximately 74% and 81%, respectively, of the Organization's total revenue was received from government agencies. The future nature of the Organization is dependent upon continued support from the government.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. The Organization uses historical loss information based on the aging receivables as the basis to determine expected credit losses from receivables and believes that the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the client base has not changed significantly. The allowance for uncollectible accounts was estimated to be zero at May 31, 2024 and 2023, respectively. The Organization has no policy for charging interest on overdue accounts.

In-Kind Donations / Noncash transactions

The Organization records various types of in-kind support including professional services and materials. Contributed professional services are recognized if the service received creates or enhances long-lived assets or requires specialized skill, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The Organization received \$64,736 and \$69,852 in donated services and materials for the years ended May 31, 2024 and 2023, respectively (see **Note 16**).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

Refundable Advances

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

Property and Depreciation

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

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

The use of certain assets is specified under the terms of grants received from agencies of the federal government. These grants also place liens on certain assets and impose restrictions on the use of funds received from the disposition of the property. Depreciation expense for the years ended May 31, 2024 and 2023 totaled \$1,059,580 and \$1,036,769, respectively.

Advertising

The Organization expenses advertising costs as incurred.

Income Taxes

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

SCS Housing, Inc., SCS Development Corporation and SCS Housing Development, Inc. are taxed as corporations. SCS Housing Inc. has federal net operating loss carryforwards available for the May 31, 2024 and 2023 tax returns totaling \$1,322,915 and \$1,276,789, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2027. SCS Development Corporation has federal net operating loss carryforwards totaling \$497 and \$509 at May 31, 2024 and 2023, respectively. These loss carryforwards may be offset against future taxable income and, if not used, began to expire in 2023. SCS Housing Development, Inc. has federal net operating loss carryforwards totaling \$140,337 and \$89,166 at May 31, 2024 and 2023, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2035.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Tax benefit from loss carryforwards	\$307,387	\$286,957
Valuation allowance	<u>(307,387)</u>	<u>(286,957)</u>
Deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

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

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

Fair Value of Financial Instruments

ASC Topic No. 825-10, Financial Instruments, provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in generally accepted accounting principles for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with FASB ASC 820, the Organization may use valuation techniques consistent with market, income and cost approaches to measure fair value. As a basis for considering market participant assumptions in fair value measurements, FASB ASC 820 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

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

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

Support and Revenue Recognition

Contracts with Customers

Program fees are reported at the amount that reflects the consideration to which the Organization expects to be entitled for providing childcare services to its clients.

Generally, the Organization bills customers and third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization. The Organization measures the performance obligations of its childcare services to the point when it is no longer required to provide services to the client, which is generally weekly for childcare services. These services are considered to be a single performance obligation.

Revenue for performance obligations satisfied at a point in time is recognized when services are provided, and the Organization does not believe it is required to provide additional services to the client.

Based on the nature of services provided by the Organization and due to the fact that all of the Organization's performance obligations related to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The transaction price for childcare services is based on standard charges for services provided to clients. Under the terms of the State of New Hampshire Department of Health and Human Services childcare subsidy programs, reimbursement for childcare services provided may differ from established rates. It is the Organization's policy to set its rates to be consistent with current reimbursement rates. Therefore, amounts due do not include significant variable consideration subject to retroactive revenue adjustments due to settlement of reviews and audits.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023

Private Grant Revenue and Contributions

Private grant contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions, if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions.

Grants and Support

Grant revenue is derived from various federal grant agreements and various state and private entity passthrough grant agreements and contracts to provide funding support of the Organization's programs and services provided by the Organization including childcare, child development, social, health, nutrition, employment, language, energy, and special needs services to families enrolled in the Organization's programs. The Organization has evaluated its grant agreements against applicable accounting standard guidance and determined that the grant agreements are contributions (nonreciprocal transaction) conditioned upon certain performance requirements and/or incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenses in compliance with specific provisions of the grant agreements.

Rental Revenue

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

Functional Allocation of Expenses

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

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

The Organization submits an indirect cost rate proposal for the paid leave, fringe benefits and other indirect costs to the U.S. Department of Health and Human services. The indirect cost rate is 12% effective from June 1, 2021 through May 31, 2024.

New Accounting Pronouncement

At June 1, 2023, the Organization adopted FASB ASU 2016.13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization's financial statements.

NOTE 2 BANK LINE OF CREDIT

The Organization has a \$250,000 revolving line of credit agreement with a bank. Interest is due monthly and is stated at the Wall Street Journal Prime Rate or at a floor rate of 4%. The line is secured by all the Organization's assets. As of May 31, 2024 and 2023, the interest rate was 8.50% and 8.25%, respectively. There was no outstanding balance at May 31, 2024 and 2023.

NOTE 3 LONG TERM DEBT

The long term debt consisted of the following at May 31:

	<u>2024</u>	<u>2023</u>
1% mortgage payable to New Hampshire Housing in monthly installments for principal and interest of \$891 through August 2032. The note is secured by real estate of the Organization (NHH, 96 Main Street).	\$ 89,887	\$ 107,975

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Non-interest bearing mortgage payable to Community Development Finance Authority, in quarterly principal payments based on an operating income formula applied to affordable housing portion of the specified real estate. The note is secured by real estate of the Organization (CDFA, 96 Main Street).	21,589	23,589
Non-interest bearing mortgage payable to New Hampshire Housing. Payment is deferred for 30 years, through September 2031, or until project is sold or refinanced. The note is secured by real estate of the Organization (NHH, 17 Pearl).	242,708	242,708
Non-interest bearing mortgage payable to New Hampshire Housing. Payment is deferred for 30 years, through July 2032, unless there is surplus cash from which to make a payment, or until project is sold or refinanced. The note is secured by real estate of the Organization (NHH, 41-43 Central).	376,066	376,066
4.25% mortgage payable to a bank in monthly installments for principal and interest of \$1,875 through December 2016, with a balloon payment that was due January 2017. The note was amended during the year ended May 31, 2019, and is now due December 2026. Under the amendment, interest rate is 4.94% and monthly installments for principal and interest are \$1,957. The note is secured by real estate of the Organization (M&T Bank, Milestones).	55,113	75,268
4.375% note payable to Rural Housing Service in monthly installments for principal and interest of \$11,050 through May 2049. The note is secured by real estate of the Organization (TD Bank, Keene Office).	2,010,552	2,053,855
Non-interest bearing note payable to Cheshire County in New Hampshire. Payment is not necessary unless Organization defaults on contract. The note is secured by real estate of the Organization (CDBG, Keene Office).	460,000	460,000

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Note payable to a bank in monthly installments for principal and interest of \$2,463 including interest through May 2039. Interest is adjusted every five years based on remaining principal balance and "Classic Advantage Rate" provided by Federal Home Loan Bank of Boston which resulted in an interest rate of 4.67% at May 31, 2024 and 2023. The note is secured by real estate of the Organization (TD Bank, Keene Office/Community Way).	333,951	348,687
Non-interest bearing note payable to the United States Department of Housing and Urban Development. No payment is due and beginning in January 2015 10% of the note is forgiven each year providing the property is used for low income housing through January 2024. The note was forgiven in full during the year ended May 31, 2024. The note was secured by real estate of the Organization (HUD, Ashuelot).	-	25,000
Non-interest bearing note payable to the United States Department of Housing and Urban Development. No payment is due and beginning in January 2015 10% of the note is forgiven each year providing the property is used for low income housing through January 2024. The note was forgiven in full during the year ended May 31, 2024. The note was secured by real estate of the Organization (HUD, 112 Charlestown Road).	-	15,000
Non-interest bearing note payable to New Hampshire Housing in annual payments in the amount of 50% of annual surplus cash through July 2042 at which time the remaining balance is due. The note is secured by real estate of the Organization (NHH, Second Chance).	794,189	794,189

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Non-interest bearing note payable to a county in New Hampshire. No payment is due and 5% of the balance is forgiven each year through 2032 when the remaining balance becomes due. The note is secured by real estate of the Organization (CDBG, Second Chance).	267,336	281,406
Non-interest bearing note payable to a county in New Hampshire, relating to an agreement between the City of Keene and SCS for the purpose of renovating Keene shelters. In total, SCS will receive \$472,000 from CDBG. The agreement was amended during the year ended May 31, 2023 to increase the total loan to \$784,021. SCS will receive the funds as progress is made. The note is secured by real estate of the Organization and will be fully forgiven providing the facility serves low- and moderate-income individuals for 20 years (Keene Shelters).	648,960	648,960
Non-interest bearing note payable to a county in New Hampshire, relating to an agreement between the City of Claremont and SCS for the purpose of renovating the Claremont shelter. In total, SCS will receive \$365,568 from CDBG-CV. The note is secured by real estate of the Organization and will be fully forgiven providing the facility serves low- and moderate-income individuals for 20 years (Claremont Shelter).	365,568	112,250
2.99% note payable to a bank in monthly installments for principal and interest of \$820 through May 2031. The note is secured by real estate of the Organization (Savings Bank of Walpole, 45 Central Street).	62,116	69,327
Non-interest bearing note payable to the City of Keene, New Hampshire, with an original balance of \$240,000 reduced to \$204,000 when the Organization acquired the note from Keene Housing in July 2020. No payment is due and 5% of the balance is forgiven each year through June 2037. The note is secured by real estate of the Organization (City of Keene, 139 Roxbury Street).	168,000	180,000

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
3.575% note payable to a finance company in monthly installments for principal and interest of \$650 through September 2026. The note is secured by a vehicle (Leaf, Dodge Ram).	16,989	23,914
3.75% note payable to a finance company in monthly installments for principal and interest of \$530 through November 2026. The note is secured by a vehicle (Leaf, Promaster Van).	14,570	20,166
4.373% note payable to a finance company in monthly installments for principal and interest of \$534 through December 2026. The note is secured by a vehicle (Leaf, Promaster Van).	15,170	20,766
6.04% note payable to a finance company in monthly installments for principal and interest of \$626 through June 2027. The note is secured by a vehicle (Leaf, Promaster Van).	20,611	26,649
5.64% note payable to a finance company in monthly installments for principal and interest of \$621 through July 2027. The note is secured by a vehicle (Leaf, Promaster Van).	20,881	26,836
5.88% note payable to a finance company in monthly installments for principal and interest of \$631 through September 2027. The note is secured by a vehicle (Leaf, Promaster Van).	22,304	28,337
Troy Senior - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in June 2029. The note is secured by real estate of the Organization (CDBG).	640,000	640,000
Troy Senior - Non-interest bearing note payable to New Hampshire Housing Finance Authority to fund energy efficient improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization (NHH).	140,210	140,210

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Keene East Side - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in December 2028. The note is secured by real estate of the Organization (CDBG).	900,000	900,000
Keene East Side - Non-interest bearing note payable to New Hampshire Community Development Finance Authority (CDFA) to fund energy upgrades and capital improvements. Beginning in 2016, 10% of the note is forgiven each year based on the rolling balance. The mortgage may be released after ten years in January 2026. The note is secured by real estate of the Organization (CDFA).	70,802	93,821
Keene East Side - Non-interest bearing note payable to New Hampshire Housing to fund energy efficient improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization (NHH).	228,934	228,934
Swanzey - Non-recourse, 4.90% simple interest mortgage note payable to the New Hampshire Housing (HOME), due September, 2033, principal and interest payable at the sole discretion of the lender from the excess cash of the borrower determined by formula, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage.	300,011	293,634
Swanzey - Non-recourse mortgage note payable to New Hampshire Housing (AHF), due September 2043, payable in monthly installments of \$1,698, including interest at 2.35% secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 40 year term of the mortgage.	316,096	328,879

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Snow Brook - Non-recourse, mortgage note payable to New Hampshire Housing, due July 2057, payable in monthly installments of \$2,002 including interest at 4.35% secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage.	420,938	426,517
Snow Brook - Non-recourse, zero interest mortgage note payable to New Hampshire Housing (AHF), due June 2034, principal and interest payable at the sole discretion of the lender from the excess cash of the borrower determined by formula, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage.	222,402	229,826
Winchester - Non-recourse mortgage note payable to New Hampshire Housing (AHF), due May 2032, payable in monthly installments of \$370, including interest at 2.00%, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage note (NHH).	32,432	36,178
Winchester - Non-recourse, zero interest bearing mortgage note payable to New Hampshire Housing (FAF), due May 2032, payable at the sole discretion of the lender from the excess cash of the borrower determined by formula, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30-year term of the mortgage note (NHH).	72,769	75,836
Winchester - Non-recourse, zero interest bearing, direct subsidy AHP loan secured by the Partnership's land and buildings, subject to low-income housing restrictions under the terms of the AHP agreement. In the event of a default under the aforementioned agreement, the loan is due upon demand with interest accrued at a rate of 11.67% for the period the funds were outstanding (Federal Home Loan Bank).	150,000	150,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Keene Highland - Non-recourse mortgage note payable to New Hampshire Housing (AHF), due August 2035, payable in monthly installments of \$3,122, including interest at 2.90%, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage note (NHH).	356,966	383,653
Keene Highland - 30 year, zero interest, non-recourse deferred mortgage note payable to the City of Keene, New Hampshire due June 2035, payment of principal is deferred until the due date, secured by land and buildings (City of Keene).	915,000	915,000
Warwick - 30 year, zero interest, non-recourse deferred mortgage note payable to the Town of Winchester, New Hampshire due August 2036, payment of principal is deferred until the due date, secured by land and buildings (Town of Winchester).	500,000	500,000
Railroad Square - 30 year, zero interest, non-recourse deferred mortgage note payable to the City of Keene, New Hampshire, due December 2039, payment of principal is deferred until the due date, secured by land and buildings (City of Keene).	460,000	-
Railroad Square – Non-recourse, 4.21% interest mortgage note payable to New Hampshire Housing (HOME), due June 2038, payments made (applied first to interest accrued) at the sole discretion of the lender from the excess cash of the borrower determined by formula, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage note (NHH). Accrued interest related to this note was \$215,232 at May 31, 2024.	450,000	-

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Railroad Square - Non-recourse, zero interest, mortgage note payable to Federal Home Loan Bank of Boston, due June 2024, principal payable at the sole discretion of the lender from the excess cash of the borrower determined by formula, secured by the Partnership's land and buildings, subject to an affordable housing program agreement for the 15 year term of the mortgage note (Federal Home Loan Bank).	<u>200,000</u>	<u>-</u>
Total long-term debt before unamortized deferred financing costs	12,383,120	11,303,436
Unamortized deferred financing costs	<u>(15,633)</u>	<u>(16,295)</u>
	12,367,487	11,287,141
Less current portion due within one year	<u>190,399</u>	<u>183,158</u>
	<u>\$12,177,088</u>	<u>\$11,103,983</u>

The schedule of maturities of long term debt at May 31, 2024 is as follows:

Year Ending	Amount
<u>May 31</u>	
2025	\$ 190,399
2026	197,955
2027	180,404
2028	146,734
2029	1,049,278
Thereafter	<u>10,618,350</u>
Total	<u>\$12,383,120</u>

NOTE 4 ECONOMIC INJURY DISASTER LOAN

During June 2020, the Organization received an Economic Injury Disaster Loan (EIDL) from the Small Business Administration with proceeds in the amount of \$150,000. The EIDL is payable over 30 years at an interest rate of 2.75% with a deferral of payments for 30 months from the date of the note. Installments, including principal and interest, of \$641 monthly begin in December 2022. The balance of principal and interest will be payable in December 2052. The loan is secured by the Small Business Administration. EIDL balance at May 31, 2024 and 2023 was \$145,352 and \$148,651, respectively.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

The scheduled maturities of the EIDL as of May 31, 2024 were as follows:

Year Ending	Amount
<u>May 31</u>	
2025	\$ 3,788
2026	3,893
2027	4,001
2028	4,113
2029	4,227
Thereafter	<u>125,330</u>
Total	<u>\$ 145,352</u>

NOTE 5 FORGIVENESS OF DEBT

During the years ended May 31, 2024 and 2023, the Organization realized forgiveness of debt income in connection with notes payable to Community Development Block Grant, HUD and Community Development Finance Authority. Forgiveness of debt income totaled \$89,089 and \$166,931 for the years ended May 31, 2024 and 2023, respectively.

NOTE 6 OPERATING LEASES

The right of use (ROU) asset represents the Organization's right to use underlying assets for the lease term, and the lease liability represents the Organization's obligation to make lease payments arising from these leases. The ROU asset and lease liability, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has elected to discount future cash flows at the risk free borrowing rates commensurate with the lease terms, which was 1.8%. Common expenses, classified as occupancy costs in the accompanying financial statements, are considered a non-lease component under FASB ASC 842 and are recognized as costs are incurred. The Organization's operating leases are described below.

The Organization leases facilities, equipment and vehicles under non-cancelable lease agreements at various financial institutions. Lease periods range from month to month to 2028. Monthly lease payments range from \$470 to \$4,050. Lease expense for the years ended May 31, 2024 and 2023 totaled \$99,015 and \$143,725, respectively.

The weighted average lease term at May 31, 2024 is 1.67 years. The weighted average discount rate at May 31, 2024 is 1.80%.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

Future minimum payments as of May 31, 2024 on the above leases are as follows:

Year Ending	Amount
<u>May 31</u>	
2025	\$ 32,945
2026	23,379
2027	<u>13,288</u>
	69,612
Less imputed interest	<u>1,445</u>
Total	<u>\$ 68,167</u>

NOTE 7 ACCRUED COMPENSATED BALANCES

At May 31, 2024 and 2023, the Organization accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$155,985 and \$149,156, respectively.

NOTE 8 CONTINGENCIES

Southwestern Community Services, Inc. is the 100% owner of SCS Housing, Inc. and SCS Housing Development, Inc. SCS Housing, Inc. and SCS Housing Development, Inc. are the general partners of eight limited partnerships formed to develop low-income housing projects through the use of Low Income Housing Tax Credits. Southwestern Community Services, Inc., SCS Housing, Inc. and SCS Housing Development, Inc. have guaranteed repayment of liabilities of various partnerships totaling approximately \$10,200,000 and \$10,300,000 at May 31, 2024 and 2023, respectively.

Partnership real estate with a cost basis of approximately \$22,400 at May 31, 2024 and 2023 provides collateral on these loans.

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

No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed by government audits as of May 31, 2024 and 2023.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

NOTE 9 RELATED PARTY TRANSACTIONS

During the years ended May 31, 2024 and 2023, SCS Housing, Inc. managed nine limited partnerships. Management fees charged by SCS Housing, Inc. totaled \$256,642 and \$243,847, for the years ended May 31, 2024 and 2023, respectively. Additionally, SCS Housing, Inc. has advanced the limited partnerships funds for cash flow purposes over several years.

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

The total amounts due and expected to be collected from the limited partnerships and related entities totaled \$37,647 and \$53,895 at May 31, 2024 and 2023, respectively.

NOTE 10 EQUITY INVESTMENT

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

	<u>2024</u>	<u>2023</u>
Cityside Housing Associates, LP	\$ (9,528)	\$ (9,522)
Marlborough Homes, LP	(87)	(73)
Payson Village Senior Housing Associates, LP	(12,563)	(12,553)
Woodcrest Drive Housing Associates, LP	98,329	107,416
Westmill Senior Housing, LP	6	20
Railroad Square Senior Housing Associates, LP	-	(2,643)
Alstead Senior Housing Associates, LP	<u>(18,474)</u>	<u>(18,467)</u>
	<u>\$ 57,683</u>	<u>\$ 64,178</u>

SCS Housing Development, Inc. is a 0.01% partner of Cityside Housing Associates, LP, Marlborough Homes, LP, Payson Village Senior Housing Associates, LP, Warwick Meadows Housing Associates, LP, Woodcrest Drive Housing Associates, LP, Alstead Senior Housing Associates, LP, a 0.10% partner of Railroad Square Senior Housing Associates, LP and a 1% partner of Westmill Senior Housing, LP during the years ended May 31, 2024 and 2023.

The remaining 99.90% ownership interest in Railroad Saure Senior Housing Associates, LP was acquired by Southwestern Community Services, Inc. During the year ended May 31, 2024 (see **Note 13**), and therefore the limited partnership is included in the consolidated financial statements for the year ended May 31, 2024.

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

SCS Housing, Inc. is a 0.01% partner of Winchester Senior Housing Associates, LP, Swanzey Township Housing Associates, LP, Snow Brook Meadow Village Housing Associates, LP, and Keene Highland Housing Associates, LP during the years ended May 31, 2024 and 2023.

Summarized financial information for entities accounted for under the equity method, as of May 31, 2024 and 2023, consists of the following:

	<u>2024</u>	<u>2023</u>
Total assets	\$ <u>44,581</u>	\$ <u>49,237</u>
Total liabilities	13,045	14,695
Capital/Member's equity	<u>31,536</u>	<u>34,632</u>
	<u>\$ 44,581</u>	<u>\$ 49,327</u>
Income	\$ 3,284	\$ 3,576
Expenses	<u>4,489</u>	<u>4,975</u>
Net loss	<u>\$ (1,205)</u>	<u>\$ (1,399)</u>

NOTE 11 RETIREMENT PLAN

The Organization maintains a tax sheltered annuity plan under the provisions of Section 403(b) of the internal Revenue Code. All employees who have had at least 30 days of service to the Organization are eligible to contribute to the plan. The Organization begins matching contributions after the employee has reached one year of service. Employer contributions are at the Organization's discretion and totaled \$383,830 and \$349,285 for the years ended May 31, 2024 and 2023, respectively.

NOTE 12 RESTRICTIONS ON NET ASSETS

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

	<u>2024</u>	<u>2023</u>
GAPS/Warm Fund	88,462	116,369
Head Start Parents Association	<u>7,761</u>	<u>7,023</u>
Total net assets with donor restrictions	<u>\$ 96,223</u>	<u>\$ 123,392</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023

NOTE 13 TRANSFER OF PARTNERSHIP INTEREST

During the year ended May 31, 2024, Southwestern Community Services, Inc. acquired a partnership interest in a low-income housing limited partnership: Railroad Square. The amount paid for the partnership interest in Railroad Square was \$1, and at the time of acquisition, Southwestern Community Services, Inc. became the limited partner.

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

	<u>Railroad Square</u>
Date of Transfer	05/21/2024
Cash	\$ 139,243
Security deposits	16,501
Cash reserves	289,333
Property, net	2,358,658
Other assets	<u>8,759</u>
Total assets	<u>2,812,494</u>
Notes payable	1,110,000
Other liabilities	<u>240,349</u>
Total liabilities	<u>1,350,349</u>
Partners' capital	<u>\$ 1,462,145</u>

NOTE 14 BOARD DESIGNATED NET ASSETS

The board designates a portion of the unrestricted net assets for WM Marcello GAPS funds. There was \$9,301 and \$12,792 designated by the board at May 31, 2024 and 2023, respectively.

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

NOTE 15 LIQUIDITY AND AVAILABILITY

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

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 2,218,833	\$ 2,237,914
Accounts receivable	1,669,491	2,027,517
Due from related party	37,647	53,895
Cash escrow and reserve funds	<u>1,831,509</u>	<u>1,556,493</u>
Total financial assets	<u>5,757,480</u>	<u>5,875,819</u>
Less amounts not available to be used within one year:		
Due from related party	(37,647)	(53,895)
Reserve funds	<u>(1,831,509)</u>	<u>(1,556,493)</u>
Total amounts not available within one year	<u>(1,869,156)</u>	<u>(1,610,388)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,888,324</u>	<u>\$ 4,265,431</u>

The Organization has a goal to maintain unrestricted cash on hand to meet 30 days of normal operating expenditures, which are, on average, approximately \$1,700,000 and \$2,320,000 at May 31, 2024 and 2023, respectively. The Organization has a \$250,000 line of credit available to meet cash flow needs.

NOTE 16 IN-KIND CONTRIBUTIONS/SERVICES

The Organization records the value of in-kind contributions according to the accounting policies described (see **Note 1**).

The fair value of gifts in kind included contributions in the financial statements and the corresponding program expenses for the years ended May 31:

	<u>2024</u>	<u>2023</u>
Volunteer hours		
Head Start and Early Head Start	<u>\$ 64,736</u>	<u>\$ 69,852</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2024 AND 2023**

NOTE 17 **PRIOR PERIOD ADJUSTMENT**

The beginning net assets for the year ended May 31, 2023 have been restated to properly reflect the amount of income and refundable advances relating to program costs. Unrestricted net assets at May 31, 2023 have been increased by \$196,870.

NOTE 18 **RECLASSIFICATION**

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

NOTE 19 **SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date, but arose after that date. Management has evaluated subsequent events through December 13, 2024, the date the financial statements were available to be issued.

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES
FOR THE YEAR ENDED MAY 31, 2024**

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2024 Total
REVENUES AND OTHER SUPPORT									
Government contracts	\$ 8,016,650	\$ 4,049,230	\$ 2,283,643	\$ 4,600	\$ 549,474	\$ 449,329	\$ 15,352,926	\$ 381,041	\$ 15,733,967
Program service fees	933,379	-	94,865	737,700	-	860,255	2,626,199	-	2,626,199
Rental income	-	-	79,286	1,833,102	-	-	1,912,388	25,920	1,938,308
Support	28,616	42,322	261,965	-	160,016	148,350	641,269	-	641,269
Sponsorship	-	3,862	-	-	-	37,003	40,865	-	40,865
Interest income	1,278	1,708	4,531	4,434	96	6,054	18,101	9,114	27,215
Forgiveness of debt	-	-	66,070	23,019	-	-	89,089	-	89,089
Miscellaneous	2,758	-	12,896	109,309	73,484	-	198,447	-	198,447
In-kind contributions	-	64,736	-	-	-	-	64,736	-	64,736
Total revenues and other support	<u>\$ 8,982,681</u>	<u>\$ 4,161,858</u>	<u>\$ 2,803,266</u>	<u>\$ 2,712,164</u>	<u>\$ 783,070</u>	<u>\$ 1,500,991</u>	<u>\$ 20,944,020</u>	<u>\$ 416,075</u>	<u>\$ 21,360,095</u>
EXPENSES									
Payroll	\$ 849,101	\$ 2,041,801	\$ 387,874	\$ 659,342	\$ 430,638	\$ 514,757	\$ 4,883,513	\$ 968,229	\$ 5,851,742
Payroll taxes	68,315	160,163	30,182	48,854	35,038	40,275	382,827	72,854	455,681
Employee benefits	163,113	398,174	108,715	286,079	51,396	134,289	1,121,766	258,291	1,380,057
Retirement	48,208	122,411	21,506	53,495	19,548	32,795	297,963	85,867	383,830
Advertising	-	12,042	2,098	1,053	8,590	2,864	26,647	4,402	31,049
Bank charges	39	-	51	1,249	-	16	1,355	11,480	12,835
Bad debt expense	-	15	2,510	-	-	-	2,525	-	2,525
Computer cost	3,190	22,287	13,957	30,408	20,510	-	90,352	137,626	227,978
Contractual	1,413,029	23,971	42,201	2,972	9,999	12,855	1,506,027	73,205	1,578,232
Depreciation	-	29,359	170,561	681,070	-	11,183	892,173	167,407	1,059,580
Dues/registration	-	5,280	-	432	468	405	6,585	1,189	7,774
Duplicating	2,096	16,762	-	-	-	-	18,858	10,479	29,337
Insurance	7,303	16,239	39,700	87,801	19,085	7,947	178,075	-	178,075
Interest	-	3,328	6,163	50,646	-	946	61,083	106,737	167,820
Meeting and conference	9,791	592	451	6,122	7,197	6,940	31,093	17,685	48,778
Miscellaneous expense	471	1,508	1,312	127,587	6,984	142	138,004	23,098	161,102
Miscellaneous taxes	-	-	-	127,873	-	-	127,873	375	128,248
Equipment purchases	6,959	3,134	-	6,361	-	-	16,454	799	17,253
Office expense	37,963	12,158	10,520	18,444	8,947	7,052	95,084	20,280	115,364
Postage	690	262	-	131	132	-	1,215	33,311	34,526
Professional fees	945	-	9,258	33,081	-	-	43,284	101,021	144,305
Staff development and training	12,436	110	2,032	1,460	-	1,064	17,102	14,853	31,955
Subscriptions	-	-	-	123	-	40	163	3,855	4,018
Telephone	6,588	15,302	26,549	17,019	2,596	2,718	70,772	65,970	136,742
Travel	9,201	15,543	66,079	8,087	53,272	886	153,068	8,060	159,128
Vehicle	19,809	236	1,571	19,644	82,277	13,551	137,088	2,463	139,551
Rent	19,440	12,000	-	-	-	-	31,440	-	31,440
Space costs	10,127	193,388	504,040	809,379	17,852	133	1,534,919	156,520	1,691,439
Direct client assistance	6,103,147	192,326	971,108	11,703	339,540	32,071	7,649,895	-	7,649,895
In-kind expenses	-	64,736	-	-	-	-	64,736	-	64,736
TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION	8,791,961	3,363,127	2,418,438	3,070,415	1,114,069	822,929	19,580,939	2,344,056	21,924,995
Allocation of management and general expenses	<u>1,052,495</u>	<u>402,604</u>	<u>289,514</u>	<u>367,563</u>	<u>133,366</u>	<u>98,514</u>	<u>2,344,056</u>	<u>(2,344,056)</u>	<u>-</u>
TOTAL FUNCTIONAL EXPENSES	\$ 9,844,456	\$ 3,765,731	\$ 2,707,952	\$ 3,437,978	\$ 1,247,435	\$ 921,443	\$ 21,924,995	\$ -	\$ 21,924,995

See Independent Auditors' Report

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES
FOR THE YEAR ENDED MAY 31, 2023**

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2023 Total
REVENUES AND OTHER SUPPORT									
Government contracts	\$ 9,381,673	\$ 3,512,407	\$ 9,284,458	\$ 4,217	\$ 509,801	\$ 122,528	\$ 22,815,084	\$ 592,307	\$ 23,407,391
Program service fee	622,718	-	182,240	727,503	-	948,499	2,480,960	-	2,480,960
Rental income	-	-	70,369	1,779,682	-	-	1,850,051	23,175	1,873,226
Support	136,476	44,743	255,916	3,500	130,414	143,845	714,894	252	715,146
Sponsorship	-	2,269	-	-	-	5,928	8,197	-	8,197
Interest income	1,031	837	2,401	4,042	91	2,522	10,924	7,311	18,235
Forgiveness of debt	-	-	143,911	23,020	-	-	166,931	-	166,931
Miscellaneous	4,543	3,480	12,123	60,276	-	-	80,422	24,320	104,742
In-kind contributions	-	69,852	-	-	-	-	69,852	-	69,852
Total revenues and other support	\$ 10,146,441	\$ 3,633,588	\$ 9,951,418	\$ 2,602,240	\$ 640,306	\$ 1,223,322	\$ 28,197,315	\$ 647,365	\$ 28,844,680
EXPENSES									
Payroll	\$ 694,298	\$ 1,847,987	\$ 633,731	\$ 625,222	\$ 353,418	\$ 441,854	\$ 4,596,510	\$ 918,734	\$ 5,515,244
Payroll taxes	57,891	151,663	50,582	49,028	30,751	36,239	376,154	67,510	443,664
Employee benefits	132,466	360,268	144,229	212,369	35,364	128,121	1,012,817	163,746	1,176,563
Retirement	35,253	105,574	38,176	44,702	15,838	26,598	266,141	83,144	349,285
Advertising	3,510	7,035	1,706	3,611	2,333	-	18,195	1,524	19,719
Bank Charges	10	-	23	4,175	-	-	4,208	8,243	12,451
Computer cost	22,147	21,189	21,646	28,550	19,001	-	112,533	147,767	260,300
Contractual	751,082	15,648	35,804	21,229	32,679	11,039	867,481	117,724	985,205
Depreciation	-	28,865	159,460	692,182	-	7,700	888,207	148,562	1,036,769
Dues/registration	-	4,480	-	1,080	468	267	6,295	11,110	17,405
Duplicating	1,469	12,587	-	-	-	-	14,056	16,742	30,798
Insurance	13,455	16,378	38,947	70,125	19,755	9,030	167,690	44,378	212,068
Interest	-	3,940	5,205	54,004	-	428	63,577	108,653	172,230
Meeting and conference	13,891	156	896	3,962	4,153	901	23,959	15,367	39,326
Miscellaneous expense	1,205	2,599	45	130,108	13,041	1,164	148,162	36,401	184,563
Miscellaneous taxes	-	-	-	122,213	-	-	122,213	451	122,664
Equipment purchases	7,732	3,636	-	7,983	-	-	19,351	590	19,941
Office expense	66,290	12,574	31,714	12,403	10,330	1,830	135,141	33,063	168,204
Postage	1,378	226	178	123	484	-	2,387	37,767	40,154
Professional	2,825	-	6,559	32,542	-	-	41,926	99,770	141,696
Staff development and training	10,191	1,323	1,065	6,558	1,760	1,228	22,125	24,323	46,448
Subscriptions	-	-	-	115	-	-	115	327	442
Telephone	7,081	4,984	29,729	19,282	1,771	1,898	64,745	60,155	124,900
Travel	7,440	19,611	128,830	10,111	38,103	-	204,095	6,650	210,745
Vehicle	15,962	551	1,653	25,000	83,361	7,639	134,166	772	134,938
Rent	19,200	13,900	-	-	-	-	33,100	-	33,100
Space costs	18,019	244,532	554,835	922,645	15,968	-	1,755,999	160,957	1,916,956
Direct client assistance	8,012,822	140,913	7,532,435	14,183	52,443	2,284	15,755,080	45,928	15,801,008
In-kind expenses	-	69,852	-	-	-	-	69,852	-	69,852
TOTAL FUNCTIONAL EXPENSES BEFORE GENERAL AND MANAGEMENT ALLOCATION	9,895,617	3,090,471	9,417,446	3,113,505	731,021	678,220	26,926,280	2,360,358	29,286,638
Allocation of management and general expenses	867,450	270,911	825,533	272,930	64,081	59,453	2,360,358	(2,360,358)	-
TOTAL FUNCTIONAL EXPENSES	\$ 10,763,067	\$ 3,361,382	\$ 10,242,979	\$ 3,386,435	\$ 795,102	\$ 737,673	\$ 29,286,638	\$ -	\$ 29,286,638

See Independent Auditors' Report

SOUTHWESTERN COMMUNITY SERVICES, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2024**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NAME</u>	<u>GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURE</u>
<u>U.S. Department of Agriculture</u>				
Special Supplemental Nutrition Program for				
Women, Infants, and Children (WIC)	10.557	State of NH, Department of Health & Human Services	234NH082M2008 (modernization), 234NH703W1003 (wic), 234NH743W5003 (bfpc)	\$ 343,696
Child and Adult Care Food Program	10.558	State of NH, Department of Education	Unknown	145,144
Food Distribution Cluster				
Commodity Supplemental Food Program	10.565	Community Action Program Belknap-Merrimack Counties	Unknown	\$ 4,600
Commodity Supplemental Food Program (Food Commodities)	10.565	Community Action Program Belknap-Merrimack Counties	Unknown	121,358
				<u>125,958</u>
Total U.S. Department of Agriculture				<u>\$ 614,808</u>
<u>U.S. Department of Housing and Urban Development</u>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				
	14.228	City of Claremont	21-222-CDPF-CV	\$ 253,318
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Bureau of Housing Supports	E-21-DC-33-0001	83,360
Continuum of Care Program	14.267	State of NH, DHHS, Bureau of Housing Supports	NH0096L1T002207	\$ 89,118
Continuum of Care Program	14.267	State of NH, DHHS, Bureau of Housing Supports	NH005TL1T002213	289,399
Continuum of Care Program	14.267	State of NH, DHHS, Bureau of Housing Supports	NH0092L1T002207	213,947
Continuum of Care Program	14.267	State of NH, DHHS, Bureau of Housing Supports	NH0074L1T002210	120,290
Continuum of Care Program	14.267	State of NH, DHHS, Bureau of Housing Supports	NH0019L1T002215	183,747
				<u>896,501</u>
Total U.S. Department of Housing and Urban Development				<u>\$ 1,233,179</u>
<u>U.S. Department of Transportation Federal Transit Administration (FTA)</u>				
Formula Grants for Rural Areas				
	20.509	State of NH, Department of Transportation	NH-2021-017	\$ 440,726
Transit Services Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	State of NH, Department of Transportation	NH-2021-016-01	89,235
Total U.S. Department of Transportation Federal Transit Administration (FTA)				<u>\$ 529,961</u>

See Notes to Schedule of Expenditures of Federal Awards

SOUTHWESTERN COMMUNITY SERVICES, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2024**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTOR'S NAME	GRANTOR'S NUMBER	FEDERAL EXPENDITURE
U.S. Department of Treasury				
Emergency Rental Assistance Program	21.023	New Hampshire Housing Finance Authority	ERA0119	\$ 89,782
Total U.S. Department of Treasury				\$ 89,782
U.S. Department of Energy				
Weatherization Assistance for Low-Income Persons	81.042	State of NH, Department of Energy	DE-EE0009916	\$ 267,788
Weatherization Assistance for Low-Income Persons	81.042	State of NH, Department of Energy	DE-EE00100001	<u>288,534</u>
Total U.S. Department of Energy				\$ 556,322
U.S. Department of Health & Human Services				
Aging Cluster				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	State of NH, Department of Energy	2101NHOASS	\$ 6,721
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	State of NH, DHHS, Bureau of Elderly & Adult Services	2201NHOASS; 2301NHOASS	<u>25,118</u>
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	State of NH, Department of Health & Human Services	NH750T000031	376,650
Low Income Household Water Assistance Program	93.499	State of NH, Department of Energy	2101NHLWC5/6	145,524
Low Income Home Energy Assistance (Fuel Assistance)	93.568	State of NH, Department of Energy	2101NHLWC5/6	6,692,858
Low Income Home Energy Assistance (BWP)	93.568	State of NH, Department of Energy	G-2201NHLIEA	<u>482,308</u>
Community Services Block Grant	93.569	State of NH - DHHS, Division of Economic Stability	2301NHCOSR	339,165
COVID-19 Community Services Block Grant	93.569	State of NH - DHHS, Division of Economic & Housing Stability	2001NHCSC3	<u>26,588</u>
Community Services Block Grant - Discretionary	93.570	State of NH, Department of Health & Human Services	2301NHCOSR	24,214

See Notes to Schedule of Expenditures of Federal Awards

SOUTHWESTERN COMMUNITY SERVICES, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2024**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NAME</u>	<u>GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURE</u>
<u>U.S. Department of Health & Human Services (continued)</u>				
Head Start Cluster				
Head Start	93.600	Direct Funding	01CH011494	3,363,119
Emergency Food and Shelter National Board Program	97.024	United Way Worldwide	41-5920-00 002	<u>1,548</u>
Total U.S. Department of Health & Human Services				<u>\$ 11,483,813</u>
TOTAL				<u>\$ 14,507,865</u>

See Notes to Schedule of Expenditures of Federal Awards

SOUTHWESTERN COMMUNITY SERVICES, INC.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2024**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Southwestern Community Services, Inc. under programs of the federal government for the year ended May 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southwestern Community Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 INDIRECT COST RATE

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

NOTE 4 FOOD DONATION

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

NOTE 5 SUBRECIPIENTS

Southwestern Community Services, Inc. had no subrecipients for the year ended May 31, 2024.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Southwestern Community Services, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statement of financial position as of May 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 13, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

*Leone McDonnell & Roberts
Professional Association*

Wolfeboro, New Hampshire
December 13, 2024

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

To the Board of Directors of
Southwestern Community Services, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Southwestern Community Services, Inc.'s (a New Hampshire nonprofit corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Southwestern Community Services, Inc.'s major federal programs for the year ended May 31, 2024. Southwestern Community Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Southwestern Community Services, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Southwestern Community Services, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Southwestern Community Services, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Southwestern Community Services, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Southwestern Community Services, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Southwestern Community Services, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Southwestern Community Services, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Southwestern Community Services, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Southwestern Community Services, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Leone McDonnell & Roberts
Professional Association*

Wolfeboro, New Hampshire
December 13, 2024

SOUTHWESTERN COMMUNITY SERVICES, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MAY 31, 2024**

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the consolidated financial statements of Southwestern Community Services, Inc. and related companies were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the consolidated financial statements are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the consolidated financial statements of Southwestern Community Services, Inc. and related companies, which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for Southwestern Community Services, Inc. expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR 200.516(a).
7. The programs tested as major programs were: U.S. Department of Housing and Urban Development; Continuum of Care Program, ALN 14.267; U.S. Department of Health & Human Services; Community Services Block Grant, ALN 93.569; and U.S. Department of Health & Human Services; Head Start, ALN 93.600.
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Southwestern Community Services, Inc. was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

Southwestern Community Services, Inc.
Board of Directors
2025 Composition

Cheshire County

Sullivan County

CONSTITUENT
SECTOR

<p>Ron Nason SCS Tenant</p>	<p>Taralyn Bielaski Population Health Dartmouth Hitchcock Medical Center</p>
<p>Heather Cameron Head Start Policy Council Parent Representative</p>	<p>Anne Beattie Newport Service Organization</p>

PRIVATE
SECTOR

<p>Kevin Watterson, Chair Swamp Bats Clarke Companies (<i>retired</i>)</p>	<p>David Edkins, Vice-Chair Town of Walpole</p>
<p>Dominic Perkins, Treasurer/Secretary Senior VP, Retail Administration Savings Bank of Walpole</p>	<p>Kerry Belknap Morris, M.Ed. Early Childhood Education River Valley Community College</p>

PUBLIC
SECTOR

<p>Jay Kahn Current Mayor, City of Keene Former State Senator, District 10</p>	<p>Derek Ferland Sullivan County Manager</p>
<p>Andy Bohannon Deputy City Manager City of Keene</p>	<p>Vacant</p>

KEY ADMINISTRATIVE PERSONNEL

NH DEPT OF TRANSPORTATION

Agency Name: Southwestern Community Services, Inc.

<u>Name</u>	<u>Role</u>	<u>Annual Salary</u>	<u>Amount Paid From This Contract</u>
Beth Daniels	Chief Executive Officer	\$142,000	\$0
Margaret Freeman	Chief Financial Officer	131,029	\$0

Beth Daniels

Experience

Southwestern Community Services, Inc., Keene, NH

Chief Operating Officer

03/2016-Present

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

Director of Energy and Employment Programs

10/2008 – 12/2016

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

Workforce Development Director

11/2006 – 10/2008

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

Families @ Work Employment Specialist

03/2006 - 11/2006

- Managed a caseload of fifty (50) clients throughout the Keene, Claremont, Concord, and Nashua areas
- Worked closely with staff from Southwestern Community Services, Inc. and Southern New Hampshire Services
- Gained a strong working knowledge of all SCS programs for referral purposes

Second Start, Concord, NH

Career Development Specialist

11/2004 – 03/2006

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

Nina's Family Daycare, Swanzey, NH

10/2003 – 11/2004

Daycare Provider

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

Southwestern Community Services, Inc., Keene, NH

Case Manager, Homeless Services

09/2002 – 10/2003

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

Case Manager, Welfare-to-Work

05/2000 – 09/2002

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

Education and Training

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

References Available

Experience

2000 – Present

Southwestern Community Services Inc.
Keene, NH

Chief Financial Officer (2014 – present)

Supervising the quality of accounting and financial reporting of SCS; a Community Action Agency. Total funding of \$38 million; federal, state and local funding sources. Primary responsibility is to establish and maintain effective internal controls relative to Uniform Guidance. Including overseeing fiscal policies & procedures, reviewing program budgets and forecasts, reporting to Policy Council and the Board of Directors, preparation of the annual audit and various monitorings. Member of Senior Staff. Supervision of Agency Fiscal Director and Housing Fiscal Director.

Agency/Housing Fiscal Director (2000-2014)

Responsible to lead and manage the daily operations of the Fiscal Department of SCS. Primary duties include budget preparation and analysis, financial statement preparation and audit coordination.

1993 –2000

Emile J. Legere Management Corp
Keene, NH

Accountant

Provided bookkeeping for real estate management/development corp. Managed 16 affordable housing properties. Responsible for cash management, general ledger, A/P, A/R, financial statement prep, and audit prep. Leasing Manager of large commercial/retail property responsible for lease management and marketing of over 30 retail spaces (Colony Mill Marketplace).

Education

Leadership New Hampshire, Graduate 2011

Plymouth State University, Plymouth, NH
M.B.A., 1999

Keene State College, Keene, NH
B.S., Management, 1991; concentration Mathematics and Computer Science

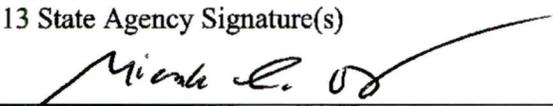
AFS Year Program Exchange
1986 New Zealand

GRANT AGREEMENT

The State of New Hampshire and the Grantee hereby
Mutually agree as follows:

GENERAL PROVISIONS

1. Identification and Definitions.

1.1. State Agency Name NH Department of Transportation		1.2. State Agency Address PO Box 483 & Hazen Dr. Concord, NH 03302-0483	
1.3. Grantee Name VNA AT HCS, INC.		1.4. Grantee Address 312 Marlboro St., PO Box 564, Keene, NH 03431-4163	
1.5 Grantee Phone # 603-352-2253	1.6. Account Number 04-96-96-964010-2916-0 72-500575	1.7. Completion Date June 30, 2027	1.8. Grant Limitation \$74,146
1.9. Grant Officer for State Agency Frederick Butler, Public Transportation Administrator, Bureau of Rail & Transit		1.10. State Agency Telephone Number 603-271-2565	
If Grantee is a municipality or village district: "By signing this form we certify that we have complied with any public meeting requirement for acceptance of this grant, including if applicable RSA 31:95-b."			
1.11. Grantee Signature 1 <i>Maura McQueeney</i>		1.12. Name & Title of Grantee Signor 1 President and CEO	
Grantee Signature 2 N/A		Name & Title of Grantee Signor 2 N/A	
Grantee Signature 3 N/A		Name & Title of Grantee Signor 3 N/A	
1.13 State Agency Signature(s) 		1.14. Name & Title of State Agency Signor(s) Michelle Winters, Deputy Commissioner	
1.15. Approval by Attorney General (Form, Substance and Execution) (if G & C approval required) By:  Assistant Attorney General, On: 10/27/25			
1.16. Approval by Governor and Council (if applicable) By: _____ On: _____			

2. SCOPE OF WORK: In exchange for grant funds provided by the State of New Hampshire, acting through the Agency identified in block 1.1 (hereinafter referred to as "the State"), the Grantee identified in block 1.3 (hereinafter referred to as "the Grantee"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT B (the scope of work being hereinafter referred to as "the Project").

3. **AREA COVERED.** Except as otherwise specifically provided for herein, the Grantee shall perform the Project in, and with respect to, the State of New Hampshire.
4. **EFFECTIVE DATE: COMPLETION OF PROJECT.**
 - 4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire if required (block 1.16), or upon signature by the State Agency as shown in block 1.14 ("the Effective Date").
 - 4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.7 (hereinafter referred to as "the Completion Date").
5. **GRANT AMOUNT: LIMITATION ON AMOUNT: VOUCHERS: PAYMENT.**
 - 5.1. The Grant Amount is identified and more particularly described in EXHIBIT C, attached hereto.
 - 5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT C.
 - 5.3. In accordance with the provisions set forth in EXHIBIT C, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.
 - 5.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.
 - 5.5. Notwithstanding anything 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 Grant limitation set forth in block 1.8 of these general provisions.
6. **COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS.** In connection with the performance of the Project, the Grantee shall comply with all statutes, laws regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Grantee, including the acquisition of any and all necessary permits and RSA 31-95-b.
7. **RECORDS and ACCOUNTS.**
 - 7.1. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency, the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.
 - 7.2. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency pursuant to subparagraph 7.1, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in block 1.3 of these provisions
8. **PERSONNEL.**
 - 8.1. The Grantee shall, at its own expense, provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.
 - 8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.
 - 8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.
9. **DATA: RETENTION OF DATA: ACCESS.**
 - 9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, paper, and documents, all whether finished or unfinished.
- 9.2. Between the Effective Date and the Completion Date the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.
- 9.3. No data shall be subject to copyright in the United States or any other country anyone other than the State.
- 9.4. On and after the Effective Date 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, whichever shall first occur.
- 9.5. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.
10. **CONDITIONAL NATURE OR AGREEMENT.** Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriate funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.
11. **EVENT OF DEFAULT: REMEDIES.**
 - 11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):
 - 11.1.1 Failure to perform the Project satisfactorily or on schedule; or
 - 11.1.2 Failure to submit any report required hereunder; or
 - 11.1.3 Failure to maintain, or permit access to, the records required hereunder; or
 - 11.1.4 Failure to perform any of the other covenants and conditions of this Agreement.
 - 11.2. Upon the occurrence of any Event of Default, the State may take any one, or more or all, of the following actions:
 - 11.2.1 Give the Grantee a written notice specifying the Event of Default and requiring 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 Grantee notice of termination; and
 - 11.2.2 Give the Grantee 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 Grant Amount which would otherwise accrue to the Grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and
 - 11.2.3 Set off against any other obligation the State may owe to the Grantee any damage the State suffers by reason of any Event of Default; and
 - 11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity or both.
12. **TERMINATION.**
 - 12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.
 - 12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligation hereunder.
 - 12.3. Notwithstanding anything in this Agreement to the contrary, either the State or except where notice default has been given to the Grantee hereunder, the Grantee may terminate this Agreement without cause upon thirty (30) days written notice.
13. **CONFLICT OF INTEREST.** No officer, member of employee of the Grantee and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or

- approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.
- GRANTEE'S RELATION TO THE STATE.** In the performance of this Agreement the Grantee, its employees, and any subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.
15. **ASSIGNMENT AND SUBCONTRACTS.** The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Grantee other than as set forth in Exhibit B without the prior written consent of the State.
16. **INDEMNIFICATION.** The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or subcontractor, or subgrantee or other agent of the Grantee. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.
17. **INSURANCE.**
- 17.1 The Grantee shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:
- 17.1.1 Statutory workers' compensation and employees liability insurance for all employees engaged in the performance of the Project, and
- 17.1.2 General liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury or death any one incident, and \$500,000 for property damage in any one incident; and
- 17.2. The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Grantee shall furnish to the State, certificates of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy.
18. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure of waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Grantee.
19. **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 first above given.
20. **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 Council of the State of New Hampshire, if required or by the signing State Agency.
21. **CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intent of the parties hereto.
22. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.
23. **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 relating hereto.
24. **SPECIAL PROVISIONS.** The additional or modifying provisions set forth in Exhibit A hereto are incorporated as part of this agreement.

EXHIBITS TO AGREEMENT

EXHIBIT A Special Provisions

EXHIBIT B Scope of Services

EXHIBIT C Budget

Certificate of Good Standing

Certificate of Corporate Vote

Certificate of Insurance

Social Service Documents to Include:

501 (c)

Financial Report

Board of Directors

Key Personnel and Salaries

Resumes

**EXHIBIT A
SPECIAL PROVISIONS**

There are no modifications, deletions, or additions to the General Provisions in Form G-1.

EXHIBIT B
SCOPE OF SERVICES

- B.1 VNA @ HCS, Inc. (VNA), (hereinafter the “Grantee”) shall follow the terms and conditions applicable to State Operating Match funds, put forth through the New Hampshire Department of Transportation, 7 Hazen Drive, Concord, NH 03302-0483 (hereinafter referred to as “Department”), as follows:
- 1.1 State funds shall be used to provide a portion of the non-federal funds required to match Federal Transit Administration (FTA) operating funds for public transportation services provided by the Grantee, which are further detailed on the Grantee’s website.
 - 1.2 State Operating Match funds will be provided by the State as shown in Exhibit C; Budget.

**EXHIBIT C
BUDGET**

C.1 The Grant Limitation, as defined in G-1, Section 1.8 of the Grant Agreement, are respective of State Operating Match funds and is granted as follows:

State Operating Match	FY 2026	FY 2027
VNA AT HCS, Inc.	\$37,073	\$37,073
Total Two-Year State Operating Match	\$74,146	

MM

Pleas

1.1 Funds are contingent upon State appropriations.

C.2 Reimbursement of State Operating Match shall be requested via monthly invoices until Operating Funds are fully expended.

C.3 The Grantee's submitted invoices shall indicate the month(s) for which the State Operating Match is being applied and the amount of FTA funds the State Operating Match is leveraging, and the FTA grant program from which the Grantee will draw down the FTA funds.

State of New Hampshire

Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that HOME HEALTHCARE, HOSPICE AND COMMUNITY SERVICES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 21, 1993. 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: **189752**

Certificate Number: **0007150097**



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 4th day of April A.D. 2025.

A handwritten signature in black ink, appearing to read "D. Scanlan", is written over a faint circular outline.

David M. Scanlan
Secretary of State

CERTIFICATE OF AUTHORITY

I, Eric Horne, of VNA at HCS, Inc. hereby certify that:

1. I am a duly elected Clerk/Secretary/Officer of VNA at HCS, Inc.
2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on September 19, 2023, at which a quorum of the Directors/shareholders was present and voting.

VOTED: That Maura McQueeney, President & CEO, is duly authorized on behalf of VNA at HCS, Inc. to enter into contracts or agreements with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to affect the purpose of this vote.

3. 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/contract amendment to which this certificate is attached. **This authority was valid thirty (30) days prior to and remains valid for thirty (30) days from the date of this Certificate of Authority.** 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: August 5, 2025



Signature of Elected Officer

Name: Eric Horne

Title: Treasurer

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

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

PRODUCER: USI Insurance Services LLC, 3 Executive Park Drive, Suite 300, Bedford, NH 03110, 855 874-0123. CONTACT NAME: Sherri Winslow, PHONE: 855 874-0123, FAX: (A/C, No):, E-MAIL ADDRESS: Sherri.Winslow@usi.com. INSURER(S) AFFORDING COVERAGE: Wesco Insurance Company, NAIC #: 25011. INSURED: VNA at HCS, Inc. dba Home Healthcare Hospice & Community Services Inc., 312 Marlboro Street, Keene, NH 03431.

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

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

Table with columns: INSR LTR, TYPE OF INSURANCE, ADDL INSR, SUBR WVD, POLICY NUMBER, POLICY EFF (MM/DD/YYYY), POLICY EXP (MM/DD/YYYY), LIMITS. Includes sections for Commercial General Liability, Automobile Liability, Umbrella/Excess Liability, and Workers Compensation and Employers' Liability.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) VNA at HCS This Certificate is issued for insured operations usual to home health and hospice activities

CERTIFICATE HOLDER: State of NH, 107 N Main St., Concord, NH 0330. CANCELLATION: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE: [Signature]

NONPROFIT COVER SHEET

A. Entity Name: VNA @ HCS

B. Entity's Contact Information:

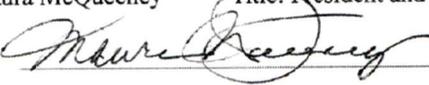
For Records Requests (e.g., resumes of key personnel; audited financial statements):

Name / Phone / Email: Maura McQueeney, 603-352-2253, mmcqueeney@hcsservices.org

Person responsible for Accuracy and Completeness of information provided:

Name: Maura McQueeney Title: President and CEO

Signature: _____



C. List Board of Directors and Affiliations

<u>Name (Identify any additional role(s) in Parentheses)</u> E.g., John Doe (President)	<u>Affiliations</u>
Virginia Jordan (Member)	Board of Directors
Maura McQueeney (President and CEO)	Ex-Officio Board of Directors
Eric Horne (Member)	Board of Directors
Julie Green (Member)	Board of Directors
Paul Berch (Member)	Board of Directors
Mary Davis (Member)	Board of Directors
Ann Heffernon (Secretary)	Board of Directors
Angie LeFebvre (Member)	Board of Directors
William Pearson (Member)	Board of Directors
Susan Simonds (Vice Chair)	Board of Directors
Andrew Tremblay (Member)	Board of Directors
Kathryn Willbarger (Treasurer)	Board of Directors

D. List Key Personnel (Resumes must be available upon request to the person(s) listed in section B or may be attached):

<u>Name</u>	<u>Role</u>	<u>Annual Salary</u>	<u>Amount Paid From This Contract</u>
Charlies Pratt	Transportation Manager	\$54,999.88	\$36,913.54

DISCLOSURE OF LEGAL ACTIVITIES INVOLVING THE STATE OF NEW HAMPSHIRE OR ANOTHER GOVERNMENT ENTITY

E. Check one of the following:

- The entity is **not currently or has not been** party to any legal proceedings involving the State of New Hampshire (or any agency or subdivision thereof) or any other state/federal government entity before any adjudicative body in any jurisdiction **OR**
- The entity is or has been party to one or more legal proceedings as set forth above. Identify the jurisdiction, court or other adjudicative body, case number, and briefly describe the nature of the proceeding (Attached extra sheet if necessary).
-
-
-

CHARITABLE TRUSTS UNIT COMPLIANCE CERTIFICATION

F. Check one of the following:

- is registered and in good standing with the New Hampshire Department of Justice Charitable Trusts Unit (** see note below) **or** has submitted a complete application for registration to the Charitable Trusts Unit and is awaiting a registration determination **OR**
- is not required to register with the Charitable Trusts Unit because it is neither tax-exempt under section 501(c)(3) of the Internal Revenue Code nor engages in charitable solicitations in the State of New Hampshire **OR**
- is exempt from registration with the Charitable Trusts Unit because it is a federal or state government, agency, or subdivision or is a religious organization, an integrated auxiliary of a religious organization, or is a convention or association of churches.

** Note: Attached screen shot from the DOJ Registered Charities List found at:

<https://mm.nh.gov/files/uploads/doj/remote-docs/registered-charities.pdf>

FINANCIAL DISCLOSURES

G. Check one the following:

- The organization hired an outside firm to audit its financial statements or to prepare GAAP-compliant financial statements for its most recently completed fiscal year. If so, please ensure that the financial statements and audit results are available to be requested from the contact listed on Page 1 (audited financials may be attached) **OR**
- The above does not apply, but the organization filed an IRS Form 990 or Form 990-EZ for its most recently completed fiscal year. Please attach that IRS Form 990 or Form 990-EZ to the submission. (Form 990 Schedule B is not required) **OR**
- If neither of the above apply***, complete the Income Statement and Balance Sheet below with the following basic financial information from the organization's most recently completed fiscal year:

1. INCOME STATEMENT

	<u>Revenue</u>		<u>Expenses</u>
<i>Grants</i>	\$	<i>Compensation of officers, directors, and key personnel</i>	\$
<i>Donations</i>	\$		
<i>Program Services Revenue</i>	\$	<i>Other salaries & wages</i>	\$
<i>Interest & Dividends</i>	\$	<i>Payroll taxes & employee benefits</i>	\$
<i>All other Revenue</i>	\$	<i>Occupancy, rent, utilities, and insurance</i>	\$
<u>Total Revenue</u>	\$	<i>Printing, publications, postage, office supplies, and IT</i>	\$
		<i>All other expenses</i>	\$
		<u>Total Expenses</u>	\$

2. BALANCE SHEET

<u>Assets</u>		<u>Liabilities</u>	
<i>Cash & Equivalents</i>	\$	<i>Accounts Payable</i>	\$
<i>Investments</i>	\$	<i>Loans Payable</i>	\$
<i>Real Estate (less any depreciation)</i>	\$	<i>All other liabilities</i>	\$
<i>Other Property & Equipment (less any depreciation)</i>	\$	<u>Total Liabilities</u>	\$
<i>Pledges, grants, accounts receivable</i>	\$		
<i>All other assets</i>	\$		
<u>Total Assets</u>	\$		

Internal Revenue Service
Director, Exempt Organizations
Rulings and Agreements

Department of the Treasury
P.O. Box 2508
Cincinnati, Ohio 45201

Date: DEC 24 2002

VNA AT HCS, INC.
312 MARLBORO ST
KEENE, NH 03301

Person to Contact - ID#:
KEITH JOYNES 52-00491
Contact Telephone Numbers:
877-829-5500 Phone
513-263-3756 Fax
Federal Identification Number:
02-0360640

Dear Sir or Madam:

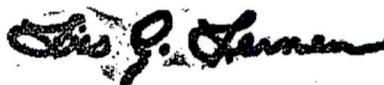
By our determination dated September 1982, you were held to be exempt from Federal Income Tax under the provisions of section 501(c)(3) of the Internal Revenue Code.

You recently furnished us information that HCS Community Care and HCS Preferred Care merged with VNA AT HCS, Inc. on June 30, 2002. In addition, information was provided regarding the dissociation of Home, Healthcare, Hospice and Community Services, Inc. from C & H Health System of the Monadnock Region, Inc. Based on the information submitted, we have determined that the merger and the dissociation does not affect your exempt status. The organization will continue using Employer Identification Number 02-0360640.

Please let us know about any further changes in the character, purposes, method of operation, name or address of your organization.

If you have any questions regarding this matter, please contact the person whose name and telephone number appear in the heading of this letter.

Sincerely,



Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Enclosure



CONSOLIDATED FINANCIAL STATEMENTS

with

SUPPLEMENTARY INFORMATION

and

FEDERAL REPORTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS AND
THE UNIFORM GUIDANCE*

June 30, 2024 and 2023

With Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Home Healthcare, Hospice & Community Services, Inc. and Affiliate

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Home Healthcare, Hospice & Community Services, Inc. and Affiliate (the Association), which comprise the consolidated balance sheets as of June 30, 2024 and 2023, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Association as of June 30, 2024 and 2023, and the results of their operations, changes in their net assets and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Association 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 opinion.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, the Association adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and related guidance as amended, during the year ended June 30, 2024. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 U.S. generally accepted auditing standards and *Government 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 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.

In performing an audit in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 consolidated 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 the Association'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2024 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire

December 17, 2024, except for the Schedule of Expenditures of Federal Awards which the date is March 10, 2025

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Consolidated Balance Sheets

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 269,107	\$ 1,015,708
Patient accounts receivable, net	1,765,713	2,096,258
Other receivables	262,396	443,698
Prepaid expenses	<u>192,953</u>	<u>366,916</u>
Total current assets	2,490,169	3,922,580
Assets limited as to use	16,045,471	13,932,601
Operating lease right-of-use assets, net	62,056	208,515
Property and equipment, net	<u>2,049,076</u>	<u>2,163,542</u>
Total assets	<u>\$ 20,646,772</u>	<u>\$ 20,227,238</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 480,500	\$ 560,942
Accrued payroll and related expenses	880,388	970,787
COVID-19 refundable advances and other deferred revenue	33,408	31,285
Current portion of operating lease obligations	<u>58,433</u>	<u>74,399</u>
Total current liabilities	1,452,729	1,637,413
Operating lease obligations, net of current portion	<u>3,292</u>	<u>139,584</u>
Total liabilities	<u>1,456,021</u>	<u>1,776,997</u>
Net assets		
Without donor restrictions	18,349,190	17,641,277
With donor restrictions	<u>841,561</u>	<u>808,964</u>
Total net assets	<u>19,190,751</u>	<u>18,450,241</u>
Total liabilities and net assets	<u>\$ 20,646,772</u>	<u>\$ 20,227,238</u>

The accompanying notes are an integral part of these consolidated financial statements.

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Consolidated Statements of Operations

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating revenue		
Net patient service revenue	\$ 15,393,402	\$ 15,157,307
COVID-19 relief funding and other operating revenue	2,751,844	2,916,202
Net assets released for operations	<u>118,211</u>	<u>98,173</u>
Total operating revenue	<u>18,263,457</u>	<u>18,171,682</u>
Operating expenses		
Salaries and related expenses	14,184,265	13,799,638
Other operating expenses	5,785,615	5,217,175
Depreciation and amortization	<u>244,421</u>	<u>296,554</u>
Total operating expenses	<u>20,214,301</u>	<u>19,313,367</u>
Operating loss	<u>(1,950,844)</u>	<u>(1,141,685)</u>
Other revenue and gains		
Contributions and fundraising income	686,284	597,513
Investment income, net	279,983	204,493
Change in fair value of investments	<u>1,664,029</u>	<u>1,204,943</u>
Total other revenue and gains	<u>2,630,296</u>	<u>2,006,949</u>
Excess of revenue over expenses	679,452	865,264
Net assets released for capital acquisition	<u>28,461</u>	<u>-</u>
Change in net assets without donor restrictions	<u>\$ 707,913</u>	<u>\$ 865,264</u>

The accompanying notes are an integral part of these consolidated financial statements.

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Consolidated Statements of Changes in Net Assets

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Net assets without donor restrictions		
Excess of revenue over expenses	\$ 679,452	\$ 865,264
Net assets released for capital acquisition	<u>28,461</u>	<u>-</u>
Change in net assets without donor restrictions	<u>707,913</u>	<u>865,264</u>
Net assets with donor restrictions		
Contributions	37,833	163,716
Investment income	19,544	3,683
Change in fair value of investments	121,892	22,508
Net assets released for operations	(118,211)	(98,173)
Net assets released for capital acquisition	<u>(28,461)</u>	<u>-</u>
Change in net assets with donor restrictions	<u>32,597</u>	<u>91,734</u>
Change in net assets	740,510	956,998
Net assets, beginning of year	<u>18,450,241</u>	<u>17,493,243</u>
Net assets, end of year	<u>\$ 19,190,751</u>	<u>\$ 18,450,241</u>

The accompanying notes are an integral part of these consolidated financial statements.

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Consolidated Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ 740,510	\$ 956,998
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation and amortization	244,421	296,554
Change in fair value of investments	(1,785,921)	(1,227,451)
Investment income restricted for reinvestment	(19,544)	(3,683)
(Increase) decrease in the following assets:		
Short-term investments	-	14,208
Patient accounts receivable	330,545	(307,709)
Other receivables	181,302	(14,795)
Prepaid expenses	173,963	(40,201)
Increase (decrease) in the following liabilities:		
Accounts payable and accrued expenses	(80,442)	258,784
Accrued payroll and related expenses	(90,399)	9,731
COVID-19 refundable advances and other deferred revenue	2,123	(226,628)
Net cash used by operating activities	<u>(303,442)</u>	<u>(284,192)</u>
Cash flows from investing activities		
Purchase of investments	(4,527,433)	(5,869,153)
Proceeds from sale of investments	4,220,028	5,942,825
Capital expenditures, net of proceeds	<u>(135,754)</u>	<u>(71,890)</u>
Net cash (used) provided by investing activities	<u>(443,159)</u>	<u>1,782</u>
Net decrease in cash and cash equivalents	<u>(746,601)</u>	<u>(282,410)</u>
Cash and cash equivalents, beginning of year	<u>1,015,708</u>	<u>1,298,118</u>
Cash and cash equivalents, end of year	<u>\$ 269,107</u>	<u>\$ 1,015,708</u>

The accompanying notes are an integral part of these consolidated financial statements.

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

1. Summary of Significant Accounting Policies

Organization

Home Healthcare, Hospice & Community Services, Inc. is a non-stock, non-profit corporation in New Hampshire whose primary purpose is to act as a holding company and provide management services to its affiliate.

Affiliate

VNA at HCS, Inc., is a non-stock, non-profit corporation in New Hampshire whose primary purposes are to provide home healthcare, hospice and community services.

Principles of Consolidation

The consolidated financial statements include the accounts of the Home Healthcare, Hospice & Community Services, Inc., and its affiliate, VNA at HCS, Inc. (collectively, the Association). They are related through a common board membership and common management. All significant intercompany balances and transactions have been eliminated in consolidation.

The Association prepares its consolidated financial statements in accordance with U.S. generally accepted accounting principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Recently Adopted Accounting Principle

FASB issued Accounting Standards Update No. 2016-13, *Financial Instruments - Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, and related guidance as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, which includes patient accounts receivable. The adoption of Topic 326 during the year ended June 30, 2024 did not have a material impact on the consolidated financial statements of the Association as a significant portion of the payors to the Association either have the full faith and backing of the U.S. government or are credit worthy with limited to no credit risk associated with them. Other than patient accounts receivable, there are no other financial assets that are measured at amortized cost.

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified as follows based on the existence or absence of donor-imposed restrictions in accordance with FASB ASC Topic 958, *Not-for-Profit Entities*. Under FASB ASC Topic 958 and FASB ASC Topic 954, *Health Care Entities*, all not-for profit healthcare organizations are required to provide a balance sheet, a statement of operations, a statement of changes in net assets, and a statement of cash flows. FASB ASC Topic 954 requires reporting amounts for an organization's total assets, liabilities, and net assets in a balance sheet; reporting the change in an organization's net assets in statements of operations and changes in net assets; and reporting the change in its cash and cash equivalents in a statements of cash flows.

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

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

Income Taxes

The Association is a public charity under Section 501(c)(3) of the Internal Revenue Code (IRC). As a public charity, the Association is exempt from state and federal income taxes on income earned in accordance with its tax-exempt purpose. Unrelated business income is subject to state and federal income tax. Management has evaluated the Association's tax positions and concluded that the Association has no unrelated business income or uncertain tax positions that require adjustment to the consolidated financial statements.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding assets limited as to use.

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

The Association has cash deposits in a major financial institution which may exceed federal depository insurance limits. The Association has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk with respect to these accounts.

Patient Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides a reserve for payment adjustments by analyzing past history and identification of trends for all funding sources in the aggregate. Management regularly reviews data about revenue in evaluating the sufficiency of the reserve which is netted against accounts receivable. Amounts not collected after all reasonable collection efforts have been exhausted are applied against the allowance for payment adjustments.

Patient accounts receivable, net were \$1,765,713, \$2,096,258, and \$1,788,549 at June 30, 2024, 2023, and 2022, respectively.

Investments

Investments in short-term investment options are reported as current assets. Investments held for long-term return are reported as non-current assets.

The Association reports investments at fair value and has elected to report all gains and losses in the excess of revenue over expenses to simplify the presentation of these amounts in the consolidated statement of operations, unless otherwise stipulated by the donor or State law.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheets.

Assets Limited as to Use

Assets limited as to use include designated assets set aside by the Board of Directors and donor contributions.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization. Maintenance, repairs and minor renewals are expensed as incurred and renewals and betterments are capitalized. Depreciation and amortization expense is computed using the straight-line method over the useful lives of the related assets.

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Property is reviewed for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the assets' carrying amount over the fair value of the asset.

Net Patient Service Revenue

Services to all patients are recorded as revenue when services are rendered at the estimated net realizable amounts from patients, third-party payors and others, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and in future periods as final settlements are determined. Patients unable to pay full charge, who do not have other third-party resources, are charged a reduced amount based on the Association's published sliding fee scale. Reductions in full charge are recognized when the service is rendered.

Performance obligations are determined based on the nature of the services provided by the Association. Revenue for performance obligations satisfied over time is recognized based on actual services rendered. Generally, performance obligations satisfied over time relate to patients receiving skilled and non-skilled services in their home or facility. The Association measures the period over which the performance obligation is satisfied from admission to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge.

Providers of home health services to clients eligible for Medicare home health benefits are paid on a prospective basis, with no retrospective settlement. The prospective payment is based on the scoring attributed to the acuity level of the client at a rate determined by federal guidelines. As the performance obligations for home health services are met, revenue is recognized based upon the portion of the transaction price allocated to the performance obligation. The transaction price is the prospective payment determined for the medically necessary services.

Providers of hospice services to clients eligible for Medicare hospice benefits are paid on a per-diem basis, with no retrospective settlement, provided the Association's aggregate annual Medicare reimbursement is below a predetermined aggregate capitated rate. Revenue is recognized as the services are performed based on the fixed rate amount. As the performance obligations for hospice services are met, revenue is recognized based upon the portion of the transaction price allocated to the performance obligation. The transaction price is the predetermined aggregate capitated rate per day.

Because all of the Association's performance obligations relate to short-term periods of care, the Association has elected to apply the optional exemption provided in FASB ASC Subtopic 606-10-50-14 (a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Contributions

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same year as received are reflected as contributions without donor restrictions in the accompanying consolidated financial statements.

COVID-19 Relief Funding

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. In response to the global pandemic, The Centers for Medicare & Medicaid Services implemented certain relief measures and also issued guidance for limiting the spread of COVID-19.

The U.S. government has responded with several phases of relief legislation as a response to the COVID-19 outbreak. Legislation enacted into law on March 27, 2020, called the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), a statute to address the economic impact of the COVID-19 outbreak. The CARES Act, among other things, 1) authorizes emergency loans to distressed businesses by establishing, and providing funding for, forgivable bridge loans; 2) provides additional funding for grants and technical assistance; 3) delays due dates for employer payroll taxes and estimated tax payments for corporations; and 4) revises provisions of the IRC, including those related to losses, charitable deductions, and business interest.

American Rescue Plan Act

On March 11, 2021, the U.S. government enacted the American Rescue Plan Act (ARPA). ARPA, amongst other things, provided support for health and human services workforce development in response to COVID-19 and broader economic impacts of the pandemic. The Association received \$16,307 in grant funding under ARPA through the State of New Hampshire Home and Community Based Service fund during the year ended June 30, 2023, for the purpose of workforce investment. The Association incurred qualifying recruitment and retention expenses of \$13,715 and \$2,592 during the years ended June 30, 2024 and 2023, respectively, which is recognized as COVID-19 relief funding and other operating revenue in the consolidated statements of operations. The unspent ARPA funds as of June 30, 2023 were \$13,715 which was included in COVID-19 refundable advances and other deferred revenue on the consolidated balance sheets. There were no unspent funds at June 30, 2024.

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Employee Retention Tax Credit

The CARES Act provides an employee retention tax credit (ERTC), which is a refundable tax credit against certain employment taxes up to \$10,000 per employee for eligible employees. For 2020, the tax credit is equal to 50% of qualified wages paid to employees during the calendar year, capped at \$10,000 of qualified wages per employee. Additional relief provisions were passed by the U.S. government, which extended and expanded the qualified wage caps on these credits through September 30, 2021. Based on these additional provisions, the tax credit was increased to 70% of qualified wages paid to employees during each quarter, and the limit on qualified wages per employee increased to \$10,000 of qualified wages per calendar quarter.

Management determined that the Association qualified for the ERTC under the under the government orders test and estimated that they will receive \$2,775,767 based on amended tax filings submitted in January 2024. On September 14, 2023, the Internal Revenue Service announced an immediate moratorium at least through the end of calendar year 2023 to add more safeguards to prevent abuse and protect businesses from predatory tactics. As a result, the Association is uncertain whether the ERTC funds will be received, the Association has not recognized any portion of the funds in the consolidated statements of operations for the year ended June 30, 2024.

2. Availability and Liquidity of Financial Assets

As of June 30, 2024, the Association has working capital of \$1,037,440 and average days (based on normal expenditures) cash on hand of 5.

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses and capital acquisitions not financed with debt or restricted funds (unfunded capital expenditures), were as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 269,107	\$ 1,015,708
Patient accounts receivable, net	1,765,713	2,096,258
Other receivables	<u>262,396</u>	<u>443,698</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,297,216</u>	<u>\$ 3,555,664</u>

The Association has board designated long-term investments that could be made available for general expenditure upon Board approval. Since these investments are currently intended for long-term investments, they have not been included in the information above. The Association has other long-term investments and assets for restricted use, more fully described in Note 3, which are not available for general expenditure within the next year and are not reflected in the amount above.

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

The Association has a \$1,000,000 line of credit available to meet short-term needs, as disclosed in Note 5.

3. Investments and Assets Limited as to Use

Investments and assets limited as to use, stated at fair value, were as follows:

	<u>2024</u>	<u>2023</u>
Board-designated for future use	\$ 15,203,910	\$ 13,123,637
Donor-restricted, time or purpose	325,137	329,089
Endowment investments - unappropriated spending	282,193	245,644
Donor-restricted, perpetual in nature	<u>234,231</u>	<u>234,231</u>
Total investments and assets limited as to use	<u>\$ 16,045,471</u>	<u>\$ 13,932,601</u>

Fair Value

FASB ASC Topic 820, *Fair Value Measurement*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants and also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The fair value hierarchy within FASB ASC Topic 820 distinguishes three levels of inputs that may be utilized when measuring fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2: Significant observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.
- Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability. The Association did not have any Level 3 assets or liabilities as of June 30, 2024 or 2023.

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

The fair values of all of the Association's investments, which are presented in the following table, are measured on a recurring basis using Level 1 inputs with the exception of corporate bonds which are valued based on quoted market prices of similar investments and categorized as Level 2 investments.

	<u>Assets at Fair Value as of June 30, 2024</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash and cash equivalents	\$ 424,111	\$ -	\$ 424,111
U.S. Government and corporate bonds	-	1,947,163	1,947,163
Equity securities	8,716,037	-	8,716,037
Mutual funds	<u>4,958,160</u>	<u>-</u>	<u>4,958,160</u>
Total	<u>\$ 14,098,308</u>	<u>\$ 1,947,163</u>	<u>\$ 16,045,471</u>

	<u>Assets at Fair Value as of June 30, 2023</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash and cash equivalents	\$ 364,706	\$ -	\$ 364,706
U.S. Government and corporate bonds	-	2,064,603	2,064,603
Equity securities	8,126,646	-	8,126,646
Mutual funds	<u>3,376,646</u>	<u>-</u>	<u>3,376,646</u>
Total	<u>\$ 11,867,998</u>	<u>\$ 2,064,603</u>	<u>\$ 13,932,601</u>

Investment income and change in fair value of investments and assets limited as to use consisted of the following:

	<u>2024</u>	<u>2023</u>
Net assets without donor restrictions		
Investment income, net of fees	\$ 279,983	\$ 204,493
Change in fair value of investments	1,664,029	1,204,943
Restricted net assets		
Investment income	19,544	3,683
Change in fair value of investments	<u>121,892</u>	<u>22,508</u>
Total	<u>\$ 2,085,448</u>	<u>\$ 1,435,627</u>

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

4. Property and Equipment

Property and equipment consisted of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 552,206	\$ 515,786
Building and improvements	5,723,786	5,704,016
Furniture, fixtures, and equipment	3,146,442	3,445,027
Construction in progress	<u>6,575</u>	<u>27,757</u>
Total cost	9,429,009	9,692,586
Less accumulated depreciation and amortization	<u>7,379,933</u>	<u>7,529,044</u>
Total property and equipment, net	<u>\$ 2,049,076</u>	<u>\$ 2,163,542</u>

5. Line of Credit

The Association has an unsecured \$1,000,000 line of credit payable on demand with a local bank with interest at 1.25% above the prime rate (9.75% at June 30, 2024). There was no outstanding balance at June 30, 2024 and 2023.

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

6. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following:

	<u>2024</u>	<u>2023</u>
Time or purpose restrictions for:		
Haskell endowment fund accumulated earnings - for office rent	\$ 275,387	\$ 241,400
Johnson Family endowment fund accumulated earnings - for capital expenditures	5,138	3,993
Hospice accumulated earnings	824	251
Furniture and capital improvements	8,961	18,037
HEAL program	12,542	24,405
Palliative education	42,629	50,000
Music program	-	1,197
Outpatient Center	20,000	32,500
Bereavement	-	3,000
Personal safety devices	3,000	-
Operations	16,263	-
Jones endowment fund accumulated earnings - for equipment	314	-
Bednar endowment fund accumulated earnings - for general purposes	452	-
Hospice memorial garden	125,418	106,631
Barbara Duckett scholarship	<u>96,402</u>	<u>93,319</u>
Total	<u>\$ 607,330</u>	<u>\$ 574,733</u>
	<u>2024</u>	<u>2023</u>
Restrictions that are perpetual in nature for:		
Hospice	\$ 10,000	\$ 10,000
Operations	8,623	8,623
Johnson Family fund - for capital expenditures	10,202	10,202
Bednar endowment fund - income for general purposes	50,000	50,000
Haskell endowment fund - for office rent	120,570	120,570
Jones endowment fund - for equipment	<u>34,836</u>	<u>34,836</u>
Total	<u>\$ 234,231</u>	<u>\$ 234,231</u>

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

7. Endowments

The Association has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as a donor-restricted endowment (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent donor-restricted endowment gifts, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with the UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund.
- (2) The purposes of the organization and the donor-restricted endowment fund.
- (3) General economic conditions.
- (4) The possible effect of inflation and deflation.
- (5) The expected total return from income and the appreciation of investments.
- (6) Other resources of the Association.
- (7) The investment policies of the Association.
- (8) The spending policy.
- (9) Funds with deficiencies.

Return Objectives and Risk Parameters

The investment portfolio is managed to provide for the long-term support of the Association. Accordingly, these funds are managed with disciplined, longer-term investment objectives and strategies designed to meet cash flow and spending requirements. Management of the assets is designed to attain the maximum total return consistent with acceptable and agreed-upon levels of risk. The Association benchmarks its portfolio performance against a number of commonly used indices.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets an asset allocation strategy wherein assets are diversified among several asset classes. The pursuit of maximizing total return is tempered by the need to minimize the volatility of returns and preserve capital. As such, the Association seeks broad diversification among assets having different characteristics with the intent to endure lower relative performance in strong markets in exchange for greater downside protection in weak markets.

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Funds with Deficiencies

From time to time, the fair value of the assets associated with individual donor-restricted endowments may fall below the level of the donors' original gift(s). The Board's policy does not permit spending from underwater endowments. Any deficiencies are reported in net assets with donor restrictions. There were no such deficiencies at June 30, 2024 and 2023.

Spending Policy

The Association has a spending policy of appropriating a distribution annually up to 7% of the endowment fund's average market value over the previous 36 months. Appropriations are determined and made on an annual basis at year-end.

The following summarizes changes in endowment assets:

	Without Donor Restrictions	<u>With Donor Restrictions</u>		Total
		Purpose Restrictions	Perpetual in Nature	
Balance June 30, 2022	\$ 12,057,909	\$ 265,295	\$ 234,231	\$ 12,557,435
Investment income, net	197,199	3,683	-	200,882
Realized and unrealized gains on investments	1,204,933	22,508	-	1,227,441
Use of board designated funds for operations	(400,000)	-	-	(400,000)
Contributions	63,596	-	-	63,596
Net assets released from restrictions	-	(45,842)	-	(45,842)
Balance June 30, 2023	13,123,637	245,644	234,231	13,603,512
Investment income, net	266,809	12,840	-	279,649
Realized and unrealized gains on investments	1,664,053	80,080	-	1,744,133
Contributions	149,411	-	-	149,411
Net assets released from restrictions	-	(56,371)	-	(56,371)
Balance June 30, 2024	<u>\$ 15,203,910</u>	<u>\$ 282,193</u>	<u>\$ 234,231</u>	<u>\$ 15,720,334</u>

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

8. **Net Patient Service Revenue**

Net patient service revenue is as follows:

	<u>2024</u>	<u>2023</u>
Medicare	\$ 13,215,173	\$ 12,760,296
Medicaid	806,276	907,321
Other third-party payers	1,130,134	1,244,667
Private pay	<u>241,819</u>	<u>245,023</u>
Total	<u>\$ 15,393,402</u>	<u>\$ 15,157,307</u>

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. The Association believes that it is in substantial compliance with all applicable laws and regulations. However, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenue in the year that such amounts become known.

The Association provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Association does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

The Association provided services in other health-related activities, primarily to indigent patients, at rates substantially below cost. For certain activities, services were provided without charge. The Association estimates the costs associated with providing the other health-related activities by applying Medicare cost report methodology to determine program costs less any net patient revenue generated by the program. The estimated costs incurred in these activities amounted to \$1,525,817 and \$1,585,931 for the years June 30, 2024 and 2023, respectively.

The Association is able to provide these services with a component of funds received through local community support and state grants. Local community support consists of contributions received directly from the public, United Way, municipal appropriations, and investment income earned from assets limited as to use. Federal and state grants consisted of monies received from the State of New Hampshire.

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

In assessing collectability, the Association has elected the portfolio approach. This portfolio approach is being used as the Association has similar contracts with similar classes of patients. The Association reasonably expects that the effect of applying a portfolio approach to a group of contracts would not differ materially from considering each contract separately. Management's judgment to group the contracts by portfolio is based on the payment behavior expected in each portfolio category. As a result, management believes aggregating contracts (which are at the patient level) by the particular payor or group of payors results in the recognition of revenue approximating that which would result from applying the analysis at the individual patient level.

9. Functional Expenses

The Association provides various services to residents within its geographic location. Expenses related to providing these services are as follows:

	<u>2024</u>	<u>2023</u>
Program services		
Salaries and benefits	\$ 12,393,112	\$ 12,088,234
Program supplies	827,424	914,679
Travel	371,901	405,376
Contract services	1,180,499	1,061,658
Other operating expenses	1,262,257	1,235,334
Depreciation and amortization	<u>213,551</u>	<u>259,781</u>
Total program services	<u>16,248,744</u>	<u>15,965,062</u>
Administrative and general		
Salaries and benefits	1,791,153	1,711,404
Travel	121,135	93,474
Contract services	1,839,930	1,331,789
Other operating expenses	182,469	174,865
Depreciation and amortization	<u>30,870</u>	<u>36,773</u>
Total administrative and general	<u>3,965,557</u>	<u>3,348,305</u>
Total	<u>\$ 20,214,301</u>	<u>\$ 19,313,367</u>

Management's estimate of cost allocations at a functional level is based on Medicare cost report methodology.

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

10. Commitments and Contingencies

Leases

The Association's operating leases are for its office facilities with varying expiration dates. The following is a schedule, by fiscal year, of future minimum lease payments and reconciliation to the consolidated balance sheet:

2025	\$	59,249
2026		<u>3,300</u>
Total lease payments		62,549
Less present value discount		<u>824</u>
Operating lease obligations	\$	<u>61,725</u>

Operating lease costs incurred amounted to \$70,816 in 2024 and \$65,007 in 2023, which approximated the cash paid for leases. For the years ended June 30, 2024 and 2023, the weighted average remaining lease term in years is 0.99 and 3.51, respectively, and the weighted average discount rate is 3.05%.

Malpractice Insurance

The Association maintains medical malpractice insurance coverage on a claims-made basis. The Association is subject to complaints, claims, and litigation due to potential claims which arise in the normal course of business. U.S. GAAP requires the Association to accrue the ultimate cost of malpractice claims when the incident that gives rise to claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. The Association has evaluated its exposure to losses arising from potential claims and determined no such accrual is necessary at June 30, 2024 and 2023. The Association intends to renew coverage on a claims-made basis and anticipates that such coverage will be available in future periods.

11. Retirement Plan

The Association sponsors a defined contribution plan. The retirement contributions by the Association amounted to \$209,415 in 2024 and \$187,557 in 2023.

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

12. Concentration of Risk

The Association grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. Following is a summary of accounts receivable, by funding source:

	<u>2024</u>	<u>2023</u>
Medicare	69 %	69 %
Medicaid	3	2
Other payers	23	26
Private pay	<u>5</u>	<u>3</u>
Total	<u>100 %</u>	<u>100 %</u>

13. Subsequent Events

For financial reporting purposes, subsequent events have been evaluated by management through December 17, 2024, which is the date the consolidated financial statements were available to be issued.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Home Healthcare, Hospice & Community Services, Inc. and Affiliate

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Home Healthcare, Hospice & Community Services, Inc. and Affiliate (the Association), which comprise the consolidated balance sheet as of June 30, 2024, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 10, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

The Association's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Association's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Association's response was not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
December 17, 2024



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Home Healthcare, Hospice & Community Services, Inc. and Affiliate

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Home Healthcare, Hospice & Community Services, Inc. and Affiliate's (the Association) compliance with the types of compliance requirements described in the Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the Association's major federal programs for the year ended June 30, 2024. The Association's major federal programs are identified in the Summary of Auditor's Results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Association's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Association's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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 U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Association's compliance with the requirements of each of its major federal programs as a whole.

In performing an audit in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Association's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Association's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-002. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Association's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Association's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses and significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Association's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Association's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
March 10, 2025

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

<u>Federal Grant/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Contract/Pass- Through Identifying Number</u>	<u>Total Federal Expenditures</u>
Major Programs			
<u>United States Department of Transportation</u>			
Pass-through State of New Hampshire Department of Transportation Formula Grants for Rural Areas and Tribal Transit Program	20.509	072-500575	\$ <u>242,000</u>
<u>Division of Public Health Services</u>			
Pass-through State of New Hampshire Bureau of Maternal and Child Health Division for Child, Youth and Families Maternal, Infant and Early Childhood Home Visiting Grant	93.870	N/A	<u>193,056</u>
Total Major Programs			<u>435,056</u>
Non-Major Programs			
<u>United States Department of Transportation</u>			
Pass-through State of New Hampshire Department of Transportation Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	N/A	<u>94,952</u>
<u>United States Department of Health and Human Services</u>			
Pass-through State of New Hampshire Department of Health and Human Services Aging Cluster Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	1051598 & 1054074	70,544
	93.044	1051526 & 1054065	5,489
	93.044	1051526	7,74

The accompanying notes are an integral part of the schedule.

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Schedule of Expenditures of Federal Awards (Concluded)

Year Ended June 30, 2024

<u>Federal Grant/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Contract/Pass -Through Identifying Number</u>	<u>Total Federal Expenditures</u>
Title III, Part C Nutrition Services	93.045	1051598 & 1054074	266,585
Nutrition Services Incentive Program	93.053	N/A	<u>67,003</u>
Total Aging Cluster			<u>417,370</u>
Social Services Block Grant	93.667	1051526 & 1054065	228,527
	93.667	1051526	3,359
	93.667	1051598 & 1054074	<u>243,340</u>
Total Social Service Block Grant			<u>475,226</u>
Total United States Department of Health and Human Services			<u>892,596</u>
<u>Division of Public Health Services</u>			
Pass-through State of New Hampshire Bureau of Maternal and Child Health			
Marylee Allen Promoting Safe and Stable Families	93.556		19,125
Division for Child, Youth and Families			
Temporary Assistance for Needy Families	93.558		157,910
Stephanie Tubbs Jones Child Welfare Services Program	93.645		3,887
Maternal and Child Health Services Block Grant to the States	93.994		<u>5,107</u>
Total Division of Public Health Services			<u>186,029</u>
Total Non-Major Programs			<u>1,173,577</u>
Total Expenditures of Federal Awards			\$ <u>1,608,633</u>

The accompanying notes are an integral part of the schedule.

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

1. **Basis of Presentation**

The amount reported on the accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Home Healthcare, Hospice & Community Services, Inc. and Affiliate (the Association) for the year ended June 30, 2024. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a portion of the operations of the Association, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Association.

2. **Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The Association has elected to use the 10% de minimis indirect cost rate.

3. **Indirect Costs**

The Association does not participate in government grants or contracts that provide for specific indirect cost recovery rates.

HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES, INC. AND AFFILIATE

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Section I. Summary of Auditor's Results

Consolidated Financial Statements

Type of auditor's report issued: Unmodified
Internal control over financial reporting:
Material weakness(ies) identified? X yes no
Significant deficiency(is) identified not considered to be
material weaknesses? yes X none reported
Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? yes X no
Significant deficiency(ies) identified not considered to be
material weaknesses? X yes none reported

Type of auditor's report issued on compliance for major
programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with the Uniform Guidance? X yes no

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.509	United States Department of Transportation Formula Grants for Rural Areas and Tribal Transit Program
93.870	United States Department of Health and Human Services Maternal, Infant and Early Childhood Home Visiting Grant

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

Auditee qualified as low-risk auditee? X yes no

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2024

Section II. Findings Relating to the Consolidated Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards

Finding Number: 2024-001

Criteria: The Association is responsible for designing, implementing and maintaining effective internal control over financial reporting that provides reasonable assurance that the internal controls will prevent misstatements, intentional or unintentional, from occurring, or detect and correct misstatements on a timely basis. Additionally, the Association is responsible for maintaining complete and accurate financial records.

Condition Found: The Association offers a flexible spending account benefit (the Plan) to their employees allowing employees to set aside money, on a pre-tax basis, to pay for qualified medical expenses incurred during the year. The funds are required to be used within the plan year; however, a grace period of three months after the plan year is permitted for participants to submit for reimbursement and utilize the funds. After the grace period has ended, unspent funds are deemed to have been forfeited and revert back to the Association. During our audit, we noted payroll deductions and forfeited funds remained as a liability on the consolidated balance sheet. This liability account was being reconciled on a monthly basis, however the withholdings were not being addressed correctly. Management performed additional research and prepared a detailed reconciliation as of June 30, 2024. As a result of the discussions during the audit an entry was recorded for \$117,994 to reduce liabilities and payroll expenses.

Cause and Effect: Based on our observations and understanding of the Association, the main causes for the issue above related to management not understanding the flexible spending account and how the reconciliation should work. As a result of the discussions during the audit an entry was recorded for \$117,994 to reduce liabilities and payroll expenses.

Identification as a Repeat Finding, if Applicable: N/A

Recommendation: We recommend that the Association develop detailed monthly reporting for the Plan which properly captures the expenses, withholdings, liabilities and forfeitures to be included in their standard operating procedures.

Views of a Responsible Official and Corrective Action Plan: Management agrees with the finding and the recommendation. See Corrective Action Plan on page 36.

Schedule of Findings and Questioned Costs (Concluded)

Year Ended June 30, 2024

Section III. Findings and Questioned Costs for Federal Awards

Finding Number: 2024-002

Information on the Federal Program:

Federal Agency: U.S. Department of Health and Human Services
Program Name: Maternal, Infant and Early Childhood Home Visiting Grant
AL: 93.870
Federal Award Year: Year Ended June 30, 2024

Specific Requirement:

The cost principles in 2 CFR, Part 200, Subpart E (Cost Principles) are required for the administration of federal awards of Nonprofit organizations.

Condition Found:

During our audit, we noted identified two issues of costs charged to the grant:

- The Association had submitted for and received of an indirect cost expenditure which had been calculated in error. Management had posted a journal entry to the grant for \$84 of office supplies expense, however, there was no expense for that amount and the journal entry should have been less than one dollar.
- The Association used grant dollars to pay for car seats for program participants. The costs are allowable under the grant, however, the client did not have a process in place to document the participants receiving the items purchased under the federal program.

Context:

We sampled 8 expense transactions and noted 2 transactions that were not consist with the Cost Principles.

Questioned Costs:

\$322

Cause and Effect:

The Association did not have adequate controls in place to ensure costs charged to the award were supported by accurate and sufficient documentation.

Identification as a Repeat Finding, if Applicable:

Yes, 2023-002

Recommendation:

We recommend the Association improve the review performed over monthly allocation journal entries to timely verify the proper amounts are being allocated to federal grants. Additionally, we recommend the client implement a formal process to document purchases made on behalf of participants and the delivery of the goods to the participants.

Views of a Responsible Official and Corrective Action Plan:

Management agrees with the finding and the recommendation. See Corrective Action Plan on page 36.

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2024

Section I. Findings Relating to the Consolidated Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards

Finding Number: 2023-001

Condition Found: As an additional procedure this year, we reviewed user access to the payroll software, Paycor. During our review, we noted 3 employees were listed with full user access that were terminated in a previous year. By not removing user access on the same day that an employee is terminated, the Association is vulnerable to the risk of an unauthorized access to the payroll system. In addition, we noted a large number of current employees with full access to the software.

Recommendation: We recommend that management implement a process to review employee user access to all systems and remove individuals as applicable during the termination process. We also recommend management re-evaluate system access rights and assign access to employees based on only the functions needed to perform job responsibilities.

Status: Resolved.

Section II. Findings and Questioned Costs for Federal Awards

Finding Number: 2023-002

Condition Found: During our audit, we noted the Association had charged the following expenditure to the grant that was deemed to be unallowable based on the Cost Principles:

- An increase to the allowance for payment adjustment recorded as bad debt expense for a total of \$372.

During our audit, we noted that Association had charged the following expenditures to the grant that were deemed to be unallowable with restrictions. We did not see any further guidance in the grant agreement to determine these were allowable costs:

- License and rental fees paid to participate in the State of New Hampshire Charitable Gaming program of \$2,125.

Recommendation: We recommend the Association implement a process to review all expenditures that are charged to the grant to verify that they are allowable under the Federal Cost Principles.

Status: Partially resolved. See 2024-002.

Schedule of Findings and Questioned Costs (Concluded)

Year Ended June 30, 2024

Finding Number: 2023-003

Condition Found: In response to finding 2022-001, the Association reviewed SAM for vendors when they reached the covered threshold. During our audit, we noted the Association only reviewed the SAM for vendors when they reached the covered threshold rather than when they started being paid under the grant. The Association is at risk of paying a vendor that has been suspended or debarred because the check is not performed until they reach a specific threshold.

Recommendation: We recommend the Association implement a process to compare all vendors paid under federal grants to the SAM at least annually. The Association should maintain documentation that the comparison has been performed.

Status: Resolved.

Finding Number: 2023-004

Condition Found: During our audit, we noted the Association does not maintain documented evidence of the reconciliation of the monthly, quarterly or semi-annual reporting requirements for the Congregate Home-Delivered meals program provided to the State to their internal statistical tracking. We did note the client included evidence of a review and approval of the billing invoice, however, we were unable to reconcile the source documents to the billing invoice.

Recommendation: We recommend the Association implement a process to properly support the monthly, quarterly and semi-annual reporting requirements that consists of clear support documentation that shows evidence of a preparer and reviewer for all components that reconcile to the corresponding reporting requirement.

Status: Resolved.

Home Healthcare, Hospice & Community Services, Inc. and Affiliate
Corrective Action Plan
Year ended June 30, 2024
EIN 02-0464932 & 02-0360640

New Hampshire Department of Health and Human Services

Home Healthcare, Hospice & Community Services, Inc. respectfully submits the following corrective action plan for the findings associated with the audit for fiscal year ended June 30, 2024.

Audit period: Year ended June 30, 2024

The findings from the auditor's schedule of findings are discussed below.

Finding 2024-001 Corrective Action Plan

The Accounting Manager will educate the Senior Management Team so that all departments are aware of this finding and the steps to prevent recurrence. The Accounting Manager will work in conjunction with the Payroll Manager and/or Business Analyst to ensure all balance sheet accounts are reconciled and pending items are reviewed and corrected monthly. Fiscal team will be trained in understanding how their entries impact the balance sheet reconciliation. Reconciliation and correction completed for financial audit FY24.

Responsible Party: Judy Arellano
Accounting Manager
603-352-2253
Anticipated Completion Date: 3/15/25

Finding 2024-002 Corrective Action Plan

The Accounting Manager will educate the Senior Management Team so that all departments are aware of this finding and the steps to prevent its recurrence. The Accounting Manager will work in conjunction with the Director of Finance and Community Based Programs Billing Specialist to ensure all expenditures being charged to a grant are allowable based on Federal Cost Principles. A document was created and will be used when a client is a recipient of goods or services that fall under grant funding. The form will be completed, signed, and uploaded to Matrix and/or QuickBase for tracking purposes.

Responsible Party: Judy Arellano
Accounting Manager
603-352-2253
Anticipated Completion Date: 4/30/25



Know us before you need us...
HCS *is more than you can imagine*

Board Members

Paul Berch
Director

Mary Ann Davis
Director

Julie Green
Secretary

Ann Heffernon
Director

Eric Horne
Treasurer

Virginia Jordan
Chair

Donald Mazanowski, MD
Director

William Pearson
Director

David Stinson
Director

Andrew Tremblay, MD
Director

Maura McQueeney
President & CEO

312 Marlboro Street
PO Box 564
Keene, NH 03431
603-352-2253 • 800-541-4145

33 Arborway
Charlestown, NH 03603
603-828-3322

9 Vose Farm Road
PO Box 496
Peterborough, NH 03458
603-532-8353

Transportation at HCS

Key Personnel

Name	Job Title	FTE	Salary	% Paid from this Contract	Amount Paid from this Contract
Charles Pratt	Transportation Manager	Yes	54,999.88	75%	41,249.91

CHARLES PRATT

SKILLS

Hands on, critical thinker with a proven track record of transforming underperforming businesses and teams as an effective leader, capable of working closely with diverse groups of people to achieve superior results in manufacturing operations. Experienced in multiple aspects of management and human resource responsibilities including vetting, interviewing and hiring of new employees as well as payroll management.

EXPERIENCE

Program Manager • Transportation Program, VNA at HCS • Keene, NH • September 2019 – Present
Responsible for the daily operations of agency transportation programs, including the City Express public transportation and paratransit services, Friendly Bus door to door service for seniors and Medical Express service. Responsible for adherence to all Department of Transportation regulation and reporting, program budgeting, and overseeing driver and dispatch staff. Attend community meetings and forums to coordinate with other transportation entities and the public related to transportation issues.

SUPERVISOR • CONTINENTAL CABLE • HINSDALE, NH • JANUARY 2019 – JUNE 2019

Responsible for On Time Delivery, Scheduling of Machines & Employees in the Assembly area & in the Machine shop. Accurate reporting & documentation of steps to ensure Quality Control measurements during each step of assembling order, to adhere to government regulations for defense systems. Providing department meetings as needed, and weekly Management reviews.

PLANT MANAGER • FORTRESS PACKAGING • FAIRFIELD, CA • OCTOBER 2016 –OCTOBER 2018

Instrumental in the start-up of a new production company. Managing the day to day operations, while instructing and monitoring safety quality and on time performance. Recorded 2 years without injury or returned sale while training an entirely new, unexperienced workforce to uphold a high level of standards in support of perfect production quality. Experience loading and unloading trucks as well as conducting facility tours with new potential accounts and performing routine, hands on maintenance of new equipment.

PLANT MANAGER • MULTICELL PACKAGING • KUTZTOWN PA 19530 • OCTOBER 2010 – MARCH 2015

Charged with changing the climate and culture of the facility. Developed and implemented strategies to transform poorly performing production facility into a profitable one. Reduced set-up times, worked closely with vendors to reduce inventory of raw materials, increasing profitability. Cross trained employees resulting in a greater flexibility in the workforce.

PLANT SUPERINTENDENT • INNERPAC NE • KEENE NH 03446 • SEPTEMBER1997 – OCTOBER 2010

Responsible for the day to day operations of the manufacturing of the plant. Did scheduling of machinery, personnel and ordering of raw materials. Oversaw the staff, participated in daily meetings with the General Manager and customer service. Conducted weekly updates with floor personnel. Coordinated with shipping on incoming and outgoing shipments. Learned how to run and setup all machines.

EDUCATION

DIPLOMA • JUNE 1982 • KEENE HIGH SCHOOL

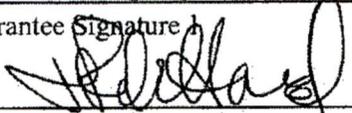
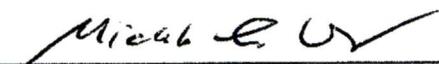
Subject: SFY 2026-2027 State Operating Match

GRANT AGREEMENT

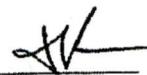
The State of New Hampshire and the Grantee hereby
Mutually agree as follows:

GENERAL PROVISIONS

1. Identification and Definitions.

1.1. State Agency Name NH Department of Transportation		1.2. State Agency Address PO Box 483 & Hazen Dr. Concord, NH 03302-0483	
1.3. Grantee Name Tri-County Community Action Program, Inc.		1.4. Grantee Address 30 Exchange Street, Berlin, NH 03570-1911	
1.5 Grantee Phone # 603-752-7001	1.6. Account Number 04-96-96-964010-2916-072-500575	1.7. Completion Date June 30, 2027	1.8. Grant Limitation \$148,292
1.9. Grant Officer for State Agency Frederick Butler, Public Transportation Administrator, Bureau of Rail & Transit		1.10. State Agency Telephone Number 603-271-2565	
If Grantee is a municipality or village district: "By signing this form we certify that we have complied with any public meeting requirement for acceptance of this grant, including if applicable RSA 31:95-b."			
1.11. Grantee Signature 1 		1.12. Name & Title of Grantee Signor 1 Jeanne Robillard, CEO	
Grantee Signature 2 N/A		Name & Title of Grantee Signor 2 N/A	
Grantee Signature 3 N/A		Name & Title of Grantee Signor 3 N/A	
1.13 State Agency Signature(s) 		1.14. Name & Title of State Agency Signor(s) Michelle Winters, Deputy Commissioner	
1.15. Approval by Attorney General (Form, Substance and Execution) (if G & C approval required)			
By:  Assistant Attorney General, On: 10/26/25			
1.16. Approval by Governor and Council (if applicable)			
By: _____ On: _____			

2. SCOPE OF WORK: In exchange for grant funds provided by the State of New Hampshire, acting through the Agency identified in block 1.1 (hereinafter referred to as "the State"), the Grantee identified in block 1.3 (hereinafter referred to as "the Grantee"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT B (the scope of work being hereinafter referred to as "the Project").

Contractor Initials 
Date 8/1/25

3. **AREA COVERED.** Except as otherwise specifically provided for herein, the Grantee shall perform the Project in, and with respect to, the State of New Hampshire.
4. **EFFECTIVE DATE: COMPLETION OF PROJECT.**
- 4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire if required (block 1.16), or upon signature by the State Agency as shown in block 1.14 ("the Effective Date").
- 4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.7 (hereinafter referred to as "the Completion Date").
5. **GRANT AMOUNT: LIMITATION ON AMOUNT: VOUCHERS: PAYMENT.**
- 5.1. The Grant Amount is identified and more particularly described in EXHIBIT C, attached hereto.
- 5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT C.
- 5.3. In accordance with the provisions set forth in EXHIBIT C, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.
- 5.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.
- 5.5. Notwithstanding anything 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 Grant limitation set forth in block 1.8 of these general provisions.
6. **COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS.** In connection with the performance of the Project, the Grantee shall comply with all statutes, laws regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Grantee, including the acquisition of any and all necessary permits and RSA 31-95-b.
7. **RECORDS and ACCOUNTS.**
- 7.1. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency, the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.
- 7.2. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency pursuant to subparagraph 7.1, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in block 1.3 of these provisions
8. **PERSONNEL.**
- 8.1. The Grantee shall, at its own expense, provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.
- 8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.
- 8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.
9. **DATA: RETENTION OF DATA: ACCESS.**
- 9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations,
- computer programs, computer printouts, notes, letters, memoranda, paper, and documents, all whether finished or unfinished.
- 9.2. Between the Effective Date and the Completion Date the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any purpose whatsoever.
- 9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State.
- 9.4. On and after the Effective Date 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, whichever shall first occur.
- 9.5. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.
10. **CONDITIONAL NATURE OR AGREEMENT.** Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.
11. **EVENT OF DEFAULT: REMEDIES.**
- 11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):
- 11.1.1 Failure to perform the Project satisfactorily or on schedule; or
- 11.1.2 Failure to submit any report required hereunder; or
- 11.1.3 Failure to maintain, or permit access to, the records required hereunder; or
- 11.1.4 Failure to perform any of the other covenants and conditions of this Agreement.
- 11.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
- 11.2.1 Give the Grantee 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 Grantee notice of termination; and
- 11.2.2 Give the Grantee a written notice specifying the Event of Default and suspend all payments to be made under this Agreement and ordering that the portion of Grant Amount which would otherwise accrue to the Grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and
- 11.2.3 Set off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and
- 11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity, or both.
12. **TERMINATION.**
- 12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.
- 12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligations hereunder.
- 12.3. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice default has been given to the Grantee hereunder, the Grantee, may terminate this Agreement without cause upon thirty (30) days written notice.
- 12.4. **CONFLICT OF INTEREST.** No officer, member of employee of the Grantee, and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or

[Handwritten Signature]
8/11/05

- approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.
14. **GRANTEE'S RELATION TO THE STATE.** In the performance of this Agreement the Grantee, its employees, and any subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.
15. **ASSIGNMENT AND SUBCONTRACTS.** The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Grantee other than as set forth in Exhibit B without the prior written consent of the State.
16. **INDEMNIFICATION.** The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or subcontractor, or subgrantee or other agent of the Grantee. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.
17. **INSURANCE.**
- 17.1 The Grantee shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:
- 17.1.1 Statutory workers' compensation and employees liability insurance for all employees engaged in the performance of the Project, and
- 17.1.2 General liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury or death any one incident, and \$500,000 for property damage in any one incident; and
- 17.2. The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Grantee shall furnish to the State, certificates of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy.
18. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure of waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Grantee.
19. **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 first above given.
20. **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 Council of the State of New Hampshire, if required or by the signing State Agency.
21. **CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intent of the parties hereto.
22. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.
23. **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 relating hereto.
24. **SPECIAL PROVISIONS.** The additional or modifying provisions set forth in Exhibit A hereto are incorporated as part of this agreement.

EXHIBITS TO AGREEMENT

EXHIBIT A **Special Provisions**

EXHIBIT B **Scope of Services**

EXHIBIT C **Budget**

Certificate of Good Standing

Certificate of Corporate Vote

Certificate of Insurance

Social Service Documents to Include:

501 (c)

Financial Report

Board of Directors

Key Personnel and Salaries

Resumes

**EXHIBIT A
SPECIAL PROVISIONS**

There are no modifications, deletions, or additions to the General Provisions in Form G-1.

EXHIBIT B
SCOPE OF SERVICES

B.1 Tri-County Community Action Program, Inc. (TCCAP), (hereinafter the “Grantee”) shall follow the terms and conditions applicable to State Operating Match funds, put forth through the New Hampshire Department of Transportation, 7 Hazen Drive, Concord, NH 03302-0483 (hereinafter referred to as “Department”), as follows:

1.1 State Operating Match funds shall be used to provide a portion of the non-federal funds required to match Federal Transit Administration (FTA) funds for the operation of public transportation services provided by the Grantee, which are further detailed on the Grantee’s website.

1.2 State Operating Match funds will be provided by the State as shown in Exhibit C; Budget.

EXHIBIT C
BUDGET

C.1 The Grant Limitation, as defined in G-1, Section 1.8 of the Grant Agreement, are respective of State Operating Match funds and is granted as follows:

State Operating Match	FY 2026	FY 2027
Tri-County Community Action Program, Inc.	\$74,146	\$74,146
Total Two-Year State Operating Match	\$148,292	

- 1.1 Funds are contingent upon State appropriations for each year of the biennium.
- C.2 Reimbursement of the State Operating Match should be requested through invoices submitted to the State, no more than once a month, within the year of appropriation.
 - 2.1 The final invoice for each year of appropriation shall be submitted to the State no later than June 10th.
- C.3 The Grantee's submitted invoices shall indicate the month(s) for which the State Operating Match is being applied and the amount of Federal Transit Administration (FTA) funds the State Operating Match is leveraging, and the FTA grant program from which the Grantee will draw down the FTA funds.
 - 3.1 The Grantee shall use the Excel invoice template provided by the State for each reimbursement request.

State of New Hampshire

Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. (TRI-COUNTY CAP) is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 18, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 63020

Certificate Number: 0007142560



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. 2025.

A handwritten signature in black ink, appearing to read "D. Scanlan", is written over a faint circular stamp.

David M. Scanlan
Secretary of State

CERTIFICATE OF AUTHORITY

I, Sandy Alonzo, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Tri-County Community Action Program, Inc.(Tri-County CAP)
(Corporation/LLC Name)

2. 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 27th, 2025, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Jeanne Robillard, Randall Pilote, Brenda Gagne (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Tri-County Community Action Program, INC. to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. 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/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30) days** from the date of this Certificate of Authority. 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: 8/1/2025

Sandy Alonzo
Signature of Elected Officer
Name: Sandy Alonzo
Title:



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/18/2025

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

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

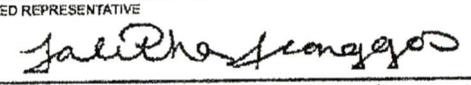
PRODUCER Cross Insurance-Manchester 1100 Elm Street Manchester NH 03101		CONTACT NAME: Lindsey Goodrich PHONE (A.C. No. Ext): (603) 669-3218 E-MAIL ADDRESS: manch.certs@crossagency.com		FAX (A.C. No.): (603) 645-4331	
INSURED Tri-County Community Action Program, Inc. 30 Exchange St Berlin NH 03570-1911		INSURER(S) AFFORDING COVERAGE INSURER A: Philadelphia Indemnity Ins Co INSURER B: Granite State Health Care and Human Services Self- INSURER C: INSURER D: INSURER E: INSURER F:		NAIC # 18058	

COVERAGES **CERTIFICATE NUMBER:** 25-26 All Lines **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL. AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		PHPK2571941	07/01/2025	07/01/2026	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY		PHPK2571943	07/01/2025	07/01/2026	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		PHUB870544	07/01/2025	07/01/2026	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	R01892HCHS2025-01 (3a.) NH	01/01/2025	01/01/2026	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

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

CERTIFICATE HOLDER		CANCELLATION	
New Hampshire Department of Transportation Rail and Transit PO Box 483 7 Hazen Drive Concord NH 03302-0483		SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 	

© 1988-2015 ACORD CORPORATION. All rights reserved.

NONPROFIT COVER SHEET

A. Entity Name: Tri-County Community Action Program, Inc.

B. Entity's Contact Information:

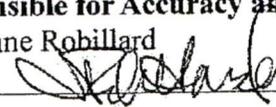
For Records Requests (e.g., resumes of key personnel; audited financial statements):

Name / Phone / Email: 603-752-7001 tccapcontracts@tccap.org

Contract Signatory Jeanne Robillard jrobillard@tccap.org

Person responsible for Accuracy and Completeness of information provided:

Name: Jeanne Robillard Title: Chief Executive Officer

Signature: 

C. List Board of Directors and Affiliations

<u>Name (Identify any additional role(s) in Parentheses)</u>	<u>Affiliations</u>
E.g., John Doe (President)	
Sandy Alonzo (Board Chair)	NAMI NH
Brian Hoffman (Interim Secretary)	
Gabrielle Omalley	
Melissa Mullen	
John Bolton (Treasurer)	
Linda Massimilla	
Ruth Heintz (Vice Chair)	NH Legal Assistance Town of Bethlehem ZBA
Erika Collins	Whitehorse Recovery
Benoit Lamontagne	

D. List Key Personnel (Resumes must be available upon request to the person(s) listed in section B or may be attached):

<u>Name</u>	<u>Role</u>	<u>Annual Salary</u>	<u>Amount Paid From This Contract</u>
Jeanne Robillard	CEO	\$132,000	\$0.00
Randall Pilotte	CFO	\$100,888	\$0.00
Brenda Gagne	CPO	\$90,480	\$0.00

**DISCLOSURE OF LEGAL ACTIVITIES INVOLVING THE STATE OF NEW
HAMPSHIRE OR ANOTHER GOVERNMENT ENTITY**

E. Check one of the following:

- [X] The entity is **not currently or has not been** party to any legal proceeding involving the State of New Hampshire (or any agency or subdivision thereof) or any other state/federal government entity before any adjudicative body in any jurisdiction **OR**
- [] The entity is or has been party to one or more legal proceedings as set forth above. Identify the jurisdiction, court or other adjudicative body, case number, and briefly describe the nature of the proceeding (Attached extra sheet if necessary).
-
-
-

CHARITABLE TRUSTS UNIT COMPLIANCE CERTIFICATION

F. Check one of the following:

- [X] is registered and in good standing with the New Hampshire Department of Justice Charitable Trusts Unit (** see note below) **or** has submitted a complete application for registration to the Charitable Trusts Unit and is awaiting a registration determination **OR**
- [] is not required to register with the Charitable Trusts Unit because it is neither tax-exempt under section 501(c)(3) of the Internal Revenue Code nor engages in charitable solicitations in the State of New Hampshire **OR**
- [] is exempt from registration with the Charitable Trusts Unit because it is a federal or state government, agency, or subdivision or is a religious organization, an integrated auxiliary of a religious organization, or is a convention or association of churches.

** Note: Attached screen shot from the DOJ Registered Charities List found at:

<https://mm.nh.gov/files/uploads/doj/remote-docs/registered-charities.pdf>

FINANCIAL DISCLOSURES

G. Check one the following:

- [X] The organization hired an outside firm to audit its financial statements or to prepare GAAP-compliant financial statements for its most recently completed fiscal year. If so, please ensure that the financial statements and audit results are available to be requested from the contact listed on Page 1 (audited financials may be attached) **OR**
- [] The above does not apply, but the organization filed an IRS Form 990 or Form 990-EZ for its most recently completed fiscal year. Please attach that IRS Form 990 or Form 990-EZ to the submission. (Form 990 Schedule B is not required) **OR**
- [] ***If neither of the above apply***, complete the Income Statement and Balance Sheet below with the following basic financial information from the organization's most recently completed fiscal year:

1. INCOME STATEMENT

<u>Revenue</u>		<u>Expenses</u>	
<i>Grants</i>	\$	<i>Compensation of officers, directors, and key personnel</i>	\$
<i>Donations</i>	\$	<i>Other salaries & wages</i>	\$
<i>Program Services Revenue</i>	\$	<i>Payroll taxes & employee benefits</i>	\$
<i>Interest & Dividends</i>	\$	<i>Occupancy, rent, utilities, and insurance</i>	\$
<i>All other Revenue</i>	\$	<i>Printing, publications, postage, office supplies, and IT</i>	\$
<u>Total Revenue</u>	\$	<i>All other expenses</i>	\$
		<u>Total Expenses</u>	\$

2. BALANCE SHEET

<u>Assets</u>		<u>Liabilities</u>	
<i>Cash & Equivalents</i>	\$	<i>Accounts Payable</i>	\$
<i>Investments</i>	\$	<i>Loans Payable</i>	\$
<i>Real Estate (less any depreciation)</i>	\$	<i>All other liabilities</i>	\$
<i>Other Property & Equipment (less any depreciation)</i>	\$	<u>Total Liabilities</u>	\$
<i>Pledges, grants, accounts receivable</i>	\$		
<i>All other assets</i>	\$		
<u>Total Assets</u>	\$		

P.O. Box 9081, J.F.K. Post Office

August 24, 1973AU:EC:EW

Community Action in Coos,
Carroll and Grafton Counties, In
69 Willard Street
Berlin, New Hampshire 03570
Attn: Fred Hill Jr. & Glenn R.
Eastman

Gentlemen:

This is in reply to your recent letter, requesting a copy of an exemption letter for the above organization.

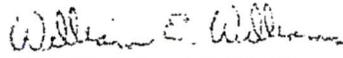
Due to our records retention program, a copy of the original letter is not available.

However, records in this office indicate that a determination letter was issued on March, 1956 to the above organization ruling that they were exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954.

This ruling remains in effect as long as there are no changes in their character, purpose, or method of operation.

I trust that the foregoing information will serve your purpose.

Very truly yours,


WILLIAM E. WILLIAMS
District Director

Your employer identification number is 020267404

Internal Revenue Service

Department of the Treasury

District
Director

10 MetroTech Center
625 Fulton Street
Brooklyn, NY 11201

Date: JUN 30 1997

Tri-County Community Action
Program, Incorporated
30 Exchange Street
Berlin, NH 03570

Person to Contact:
Patricia Holub
Contact Telephone Number:
(718) 488-2333
EIN: 02-0267404

Dear Sir or Madam:

Reference is made to your request for verification of the tax exempt status of Tri-County Community Action Program, Incorporated.

A determination or ruling letter issued to an organization granting exemption under the Internal Revenue Code remains in effect until the tax exempt status has been terminated, revoked or modified.

Our records indicate that exemption was granted as shown below.

Sincerely yours,

(Patricia Holub)

Patricia Holub
Manager, Customer
Service Unit

Name of Organization: Tri-County Community Action
Program, Incorporated

Date of Exemption Letter: March 1988

Exemption granted pursuant to section 501(c)(3) of the
Internal Revenue Code.

Foundation Classification (if applicable): Not a private
foundation as you are an organization described in sections
509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.
AND AFFILIATE

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023
AND
INDEPENDENT AUDITORS' REPORT AND
REPORTS ON COMPLIANCE AND
INTERNAL CONTROL**

*Leone,
McDonnell
& Roberts*
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1 - 3
Consolidated Financial Statements:	
Statements of Financial Position	4
Statement of Activities	5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 30
Supplementary Information:	
Schedule of Expenditures of Federal Awards and Non-Federal Awards	31 - 33
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	34 - 35
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	36 - 38
Schedule of Findings and Questioned Costs	39 - 40

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Tri-County Community Action Program, Inc. and Affiliate

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Tri-County Community Action Program, Inc. and Affiliate (New Hampshire nonprofit organizations), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, the related consolidated statements of functional expenses, and cash flows for the years then ended, the related statement of activities for the year ended June 30, 2024, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Tri-County Community Action Program, Inc. and Affiliate as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tri-County Community Action Program, Inc. and Affiliate and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tri-County Community Action Program, Inc. and Affiliate's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 and *Government 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 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Tri-County Community Action Program, Inc. and Affiliate'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tri-County Community Action Program, Inc. and Affiliate'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.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024, on our consideration of Tri-County Community Action Program, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tri-County Community Action Program, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tri-County Community Action Program, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Tri-County Community Action Program, Inc. and Affiliates' 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Leone McDonnell & Roberts
Professional Association

North Conway, New Hampshire
November 13, 2024

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023**

	<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
CURRENT ASSETS			
Cash and cash equivalents		\$ 4,658,626	\$ 4,400,730
Restricted cash, Guardianship Services Program		1,026,499	1,313,655
Accounts receivable		2,044,392	2,024,546
Pledges receivable		284,892	192,212
Inventories		102,774	123,409
Prepaid expenses		<u>179,803</u>	<u>138,888</u>
Total current assets		<u>8,296,986</u>	<u>8,193,440</u>
PROPERTY			
Property and equipment		12,831,168	12,858,931
Less accumulated depreciation		<u>(6,994,869)</u>	<u>(6,522,499)</u>
Property, net		<u>5,836,299</u>	<u>6,336,432</u>
NONCURRENT ASSETS			
Right of use asset, operating		123,817	208,857
Restricted cash		<u>449,389</u>	<u>413,721</u>
Total noncurrent assets		<u>573,206</u>	<u>622,578</u>
TOTAL ASSETS		<u>\$ 14,706,491</u>	<u>\$ 15,152,450</u>
	<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES			
Current portion of long term debt		\$ 135,315	\$ 139,961
Current portion of right of use liability, operating		59,260	86,219
Accounts payable		273,732	456,444
Accrued compensated absences		227,225	249,777
Accrued salaries		89,951	90,948
Accrued expenses		106,809	95,772
Refundable advances		85,188	403,239
Other liabilities		<u>1,135,480</u>	<u>1,342,462</u>
Total current liabilities		2,112,960	2,864,822
NONCURRENT LIABILITIES			
Right of use liability, operating, less current portion		64,557	122,638
Long term debt, net of current portion		<u>4,108,684</u>	<u>4,296,550</u>
Total liabilities		<u>6,286,201</u>	<u>7,284,010</u>
NET ASSETS			
Without donor restrictions		8,074,913	7,577,645
With donor restrictions		<u>345,377</u>	<u>290,795</u>
Total net assets		<u>8,420,290</u>	<u>7,868,440</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 14,706,491</u>	<u>\$ 15,152,450</u>

See Notes to Consolidated Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Total</u>	<u>2023 Total</u>
REVENUES AND OTHER SUPPORT				
Grants and contracts	\$ 17,113,827	\$ 263,021	\$ 17,376,848	\$ 39,804,923
Program funding	1,054,639	-	1,054,639	1,131,923
Utility programs	1,680,558	-	1,680,558	1,458,145
In-kind contributions	422,563	-	422,563	479,251
Contributions	354,046	-	354,046	252,119
Fundraising	32,778	-	32,778	23,626
Rental income	889,403	-	889,403	867,061
Interest income	79,025	-	79,025	26,196
Gain on disposal of property	800	-	800	6,817
Other revenue	1,708	-	1,708	2,735
	<u>21,629,347</u>	<u>263,021</u>	<u>21,892,368</u>	<u>44,052,796</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>208,439</u>	<u>(208,439)</u>	<u>-</u>	<u>-</u>
	<u>21,837,786</u>	<u>54,582</u>	<u>21,892,368</u>	<u>44,052,796</u>
FUNCTIONAL EXPENSES				
Program Services:				
Agency Fund	1,295,519	-	1,295,519	1,314,337
Head Start	3,171,577	-	3,171,577	3,107,886
Guardianship	601,621	-	601,621	651,255
Transportation	1,810,631	-	1,810,631	1,404,213
Volunteer	72,341	-	72,341	72,150
Carroll County Dental	585,935	-	585,935	679,379
Homeless	1,151,632	-	1,151,632	20,422,871
Energy and Community Development	9,943,891	-	9,943,891	13,099,599
Elder	1,287,154	-	1,287,154	1,276,827
Housing Services	212,242	-	212,242	212,979
	<u>20,132,543</u>	<u>-</u>	<u>20,132,543</u>	<u>42,241,496</u>
Total program services				
Supporting Activities:				
General and administrative	1,204,546	-	1,204,546	1,236,580
Fundraising	3,429	-	3,429	3,315
	<u>1,207,975</u>	<u>-</u>	<u>1,207,975</u>	<u>1,239,895</u>
Total supporting activities				
Total functional expenses	<u>21,340,518</u>	<u>-</u>	<u>21,340,518</u>	<u>43,481,391</u>
CHANGE IN NET ASSETS	497,268	54,582	551,850	571,405
NET ASSETS, BEGINNING OF YEAR	<u>7,577,645</u>	<u>290,795</u>	<u>7,868,440</u>	<u>7,297,035</u>
NET ASSETS, END OF YEAR	<u>\$ 8,074,913</u>	<u>\$ 345,377</u>	<u>\$ 8,420,290</u>	<u>\$ 7,868,440</u>

See Notes to Consolidated Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Agency Fund</u>	<u>Head Start</u>	<u>Guardianship</u>	<u>Transportation</u>	<u>Volunteer</u>	<u>Carroll County Dental</u>	<u>Homeless</u>	<u>Energy and Community Development</u>	<u>Elder</u>	<u>Housing Services</u>	<u>Total</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Direct Expenses														
Payroll	\$ 353,307	\$ 1,716,764	\$ 388,354	\$ 966,067	\$ 46,912	\$ 261,594	\$ 362,333	\$ 1,484,816	\$ 562,713	\$ 56,066	\$ 5,898,926	\$ 560,294	\$ -	\$ 6,459,220
Payroll taxes and benefits	64,347	451,076	90,921	129,016	11,544	58,754	97,532	399,283	106,174	-	1,408,646	134,843	-	1,543,489
Assistance to clients	-	-	-	589,597	-	-	-	473,809	6,684,095	-	7,747,501	-	-	7,747,501
Consumable supplies	7,083	195,969	7,904	8,982	378	37,999	14,267	514,916	310,482	807	1,098,787	28,194	-	1,126,981
Space costs and rentals	2,575	243,766	44,948	9,102	6,003	-	94,093	213,546	66,953	-	680,988	98,010	-	779,598
Depreciation expense	203,322	40,474	7,830	102,254	-	36,982	24,712	41,321	5,160	67,389	529,444	-	-	529,444
In-kind expended	-	216,582	-	56,778	2,160	-	-	-	147,065	-	422,563	-	-	422,563
Consultants and contractors	60,682	20,159	3,040	29,600	688	138,596	24,099	358,410	9,062	-	645,346	139,864	-	785,210
Utilities	176,497	31,490	28,022	15,425	1,776	11,763	31,649	47,311	28,112	26,848	397,893	12,544	-	410,437
Travel and meetings	13,450	129,948	9,683	47,652	79	12,238	7,142	18,517	18,830	495	258,034	27,267	-	285,321
Other direct program costs	61,007	36,716	2,053	13,556	803	703	4,012	24,538	7,044	35,106	185,638	65,624	3,429	254,591
Fiscal and administrative	32,897	100	8,629	1,424	164	8,408	3,175	33,847	1,378	2,310	92,532	86,720	-	179,252
Building and grounds maintenance	150,839	34,515	80	5,648	-	7,399	3,936	4,943	1,709	10,393	219,462	-	-	219,462
Interest expense	79,312	852	2,489	382	-	78	25	1,804	328	-	85,270	-	-	85,270
Vehicle expense	8,119	-	-	124,527	-	-	98	88,021	-	-	220,765	-	-	220,765
Insurance	65,884	10,481	797	3,813	1,598	3,540	10,144	5,965	-	3,859	105,881	37,551	-	143,432
Maintenance of equipment and rental	12,350	42,704	6,596	6,971	236	4,844	606	21,210	16,539	8,969	121,025	12,431	-	133,456
Fixed fees	4,838	-	75	39	-	2,037	-	1,348	5,605	-	13,942	584	-	14,526
Total Direct Expenses	1,295,519	3,171,577	601,821	1,810,631	72,341	585,935	1,151,632	8,943,891	1,287,154	212,242	20,132,543	1,204,546	3,429	21,340,516
Indirect Expenses														
Indirect costs	130,828	305,710	63,254	117,821	7,218	61,466	64,809	334,790	118,850	-	1,204,546	(1,204,546)	-	-
Total Direct & Indirect expenses	\$ 1,426,347	\$ 3,477,287	\$ 664,875	\$ 1,928,252	\$ 79,559	\$ 647,401	\$ 1,216,441	\$ 10,278,681	\$ 1,406,004	\$ 212,242	\$ 21,337,089	\$ -	\$ 3,429	\$ 21,340,516

See Notes to Consolidated Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Agency Fund</u>	<u>Head Start</u>	<u>Guardianship</u>	<u>Transportation</u>	<u>Volunteer</u>	<u>Carroll County Dental</u>	<u>Homeless</u>	<u>Energy and Community Development</u>	<u>Elder</u>	<u>Housing Services</u>	<u>Total</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Direct Expenses														
Payroll	\$ 323,177	\$ 1,644,947	\$ 424,637	\$ 680,490	\$ 44,947	\$ 422,973	\$ 767,036	\$ 1,380,748	\$ 564,893	\$ 56,045	\$ 6,299,893	\$ 608,842	\$ -	\$ 6,908,735
Payroll taxes and benefits	99,401	449,895	109,489	133,770	11,318	97,590	199,734	382,084	116,514	-	1,699,895	149,438	-	1,749,333
Assistance to clients	775	-	-	207,577	-	-	18,962,956	10,442,285	-	-	29,613,593	-	-	29,613,593
Consumable supplies	7,038	218,856	6,679	8,279	356	55,076	33,428	431,354	321,162	1,396	1,083,724	25,899	-	1,109,623
Space costs and rentals	12,846	223,207	46,839	21,512	6,478	-	99,995	150,500	72,300	-	633,477	130,652	-	764,129
Depreciation expense	204,391	41,736	2,000	102,254	-	41,903	18,553	42,626	7,110	67,389	527,962	-	-	527,962
In-kind expended	-	219,362	-	24,948	-	-	128,764	-	106,177	-	479,251	-	-	479,251
Consultants and contractors	55,409	13,668	6,228	23,620	-	19,786	132,557	12	12,704	-	263,984	31,049	-	295,033
Utilities	228,071	29,700	23,217	18,069	1,592	11,819	30,814	45,326	25,978	30,465	445,051	5,226	-	450,277
Travel and meetings	751	89,760	8,152	38,208	392	2,635	16,195	24,004	15,328	125	195,550	20,687	-	216,237
Other direct program costs	9,862	51,628	1,278	7,988	429	1,550	7,088	34,790	6,788	36,315	157,716	84,852	3,315	245,883
Fiscal and administrative	6,024	264	15,594	294	39	8,239	5,125	24,030	1,744	3,100	84,453	124,673	-	189,126
Building and grounds maintenance	156,544	94,147	58	13,630	-	8,548	4,875	576	17,874	7,010	303,262	-	-	303,262
Interest expense	84,491	1,668	683	247	76	-	116	1,914	537	-	89,732	-	-	89,732
Vehicle expense	5,186	-	-	110,020	-	-	-	110,333	-	-	225,539	-	-	225,539
Insurance	56,280	8,422	663	3,755	1,598	1,619	8,434	6,299	-	3,155	90,225	38,916	-	129,141
Maintenance of equipment and rental	53,270	20,416	5,738	9,375	4,925	5,919	17,182	18,137	5,291	7,879	148,132	16,131	-	164,263
Fixed fees	11,021	10	-	177	-	1,722	19	4,561	2,427	100	20,057	215	-	20,272
Total Direct Expenses	1,314,337	3,107,886	651,255	1,404,213	72,150	679,379	20,422,871	13,099,599	1,276,827	212,979	42,241,496	1,236,580	3,315	43,481,391
Indirect Expenses														
Indirect costs	133,132	299,448	69,805	119,456	6,841	71,557	137,310	275,680	123,351	-	1,236,580	(1,236,580)	-	-
Total Direct & Indirect expenses	\$ 1,447,469	\$ 3,407,334	\$ 721,060	\$ 1,523,669	\$ 78,991	\$ 750,936	\$ 20,560,181	\$ 13,375,279	\$ 1,400,178	\$ 212,979	\$ 43,478,076	\$ -	\$ 3,315	\$ 43,481,391

See Notes to Consolidated Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 551,850	\$ 571,405
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	529,444	527,962
Gain on disposal of property	(800)	(6,817)
(Increase) decrease in assets:		
Accounts receivable	(19,846)	(217,272)
Pledges receivable	(92,680)	(23,016)
Inventories	20,635	(63,650)
Prepaid expenses	(40,915)	(77)
Increase (decrease) in liabilities:		
Accounts payable	(182,712)	193,971
Accrued compensated absences	(22,552)	21,435
Accrued salaries	(997)	9,241
Accrued expenses	11,037	(21,643)
Refundable advances	(318,051)	(42,969)
Other liabilities	<u>(206,982)</u>	<u>257,056</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>227,431</u>	<u>1,205,626</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property	800	8,091
Purchases of property and equipment	<u>(30,198)</u>	<u>(161,013)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(29,398)</u>	<u>(152,922)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment on long-term debt	<u>(191,625)</u>	<u>(139,920)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(191,625)</u>	<u>(139,920)</u>
NET INCREASE IN CASH AND RESTRICTED CASH	6,408	912,784
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	<u>6,128,106</u>	<u>5,215,322</u>
CASH AND RESTRICTED CASH, END OF YEAR	<u>\$ 6,134,514</u>	<u>\$ 6,128,106</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	<u>\$ 84,383</u>	<u>\$ 88,845</u>

See Notes to Consolidated Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Principles of Consolidation

The consolidated financial statements include the accounts of Tri-County Community Action Program, Inc. and its affiliate, Cornerstone Housing North, Inc. The two organizations are consolidated because Tri-County Community Action Program, Inc. controls 100% of the voting power of Cornerstone Housing North, Inc. All significant intercompany items and transactions have been eliminated from the basic financial statements. Tri-County Community Action Program, Inc. (the Organization) is a New Hampshire non-profit corporation that operates a wide variety of community service programs which are funded primarily through grants or contracts from various federal, state, and local agencies. Cornerstone Housing North, Inc. (Cornerstone) is a New Hampshire nonprofit corporation that was incorporated under the laws of the State of New Hampshire for the acquisition, construction, and operation of community-based housing for the elderly.

Nature of activities

The Organization's programs consist of the following:

Agency

Tri-County CAP Administration provides central program management support and oversight to the Organization's many individual programs. This includes planning and budget development, bookkeeping and accounting, payroll and HR services, legal and audit services, IT support, management support, financial support and central policy development.

Tri-County CAP Administration is the liaison between Tri-County Community Action Program, Inc.'s, Board of Directors and its programs, ensuring that programs comply with agreements made by the Board to funding sources and vendors.

Other responsibilities include the management and allocation of funding received through a Community Services Block Grant, as well as management of the Organization's real estate property.

Head Start

Head Start provides comprehensive services to low-income children and their families. Head Start supports children's growth and development in a positive learning environment through a variety of activities as well as providing services, which include in addition to early learning, health and family well-being. All children receive health and development screenings, nutritious meals, oral health and mental health support. Parents and families are supported in achieving their own goals, such as housing stability, continued education, and financial stability.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

Programs support and strengthen parent-child relationships as their child's primary educator. Head Start staff work as partners with parents to identify and provide individualized activities that support their child's growth and development.

Tri-County Community Action Head Start serves approximately 250 children in Carroll, Coos & Grafton counties in 9 locations with 13 center-based classrooms and 1 home-based option.

Guardianship

The Organization's Guardianship program provides advocacy and guardian services for the vulnerable population of New Hampshire residents (developmentally disabled, chronically mentally ill, traumatic brain injury, and the elderly suffering from Alzheimer's, dementia, and multiple medical issues) who need a guardian and who have no family member or friend willing, able, or suitable to serve in that capacity. This program serves over 400 individuals. Additional services include, conservatorship, representative payee-ship, federal fiduciary services, benefit management services and private probate accounting services.

Transportation

The Organization's transit program provides various transportation services: public bus routes, door-to-door service by request, long distance medical travel to medical facilities outside our regular service area, and special trips for the elderly to go shopping and enjoy other activities that are located outside the regular service area. The Organization's fleet of 14 wheelchair accessible vehicles offers transportation options to the elderly and disabled, as well as to the general public.

Volunteer

The Coos County Retired & Senior Volunteers Program (RSVP) maintains a minimum group of 208 volunteers, ages 55 and older, of which 50 actively served during the last reporting period. These volunteers share their skills, life experiences, and time with over 60 local non-profit and public agencies throughout Coos County that depend on volunteer assistance to meet the needs of their constituents. Our volunteers donate over 15,000 hours yearly.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

Carroll County Dental

Tamworth Dental Center (the Center) offers state of the art quality oral healthcare to uninsured families and individuals. The Center offers a full array of services including preventative, restorative, and oral surgery. The Center accepts most dental insurances, state insurances, and offers a sliding fee scale based on income ratio to federal poverty guidelines. The school-based project of the Center has undergone modifications necessary due to the pandemic. 9 outreach schools within the vicinity of the Center will be made. Education, treatments, and referrals will be made available.

Homeless

Homeless services include an outreach intervention and prevention project that strives to prevent individuals and families from becoming homeless, and assists the already homeless in securing safe, affordable housing. The Organization provides temporary shelter space for homeless clients.

The Organization also provides some housing rehabilitation services to help preserve older housing stock.

Energy Assistance and Outreach

Energy Assistance Services provide fuel and electric assistance through direct pay to vendors or a discount on the client's bill. Community Contact sites allow local participants access to energy assistance programs and other emergency services. The offices provide information to the Organization's clients about other programs offered, as well as other programs available through other organizations in the community.

Low-Income Weatherization

The NH weatherization program helps low-income families, elderly, disabled, small children and individuals lower their home energy costs; increase their health, safety, and comfort; and improve the quality of living while improving housing stock in communities around the state utilizing energy cost saving, health and safety and carbon lowering measures. The NH Weatherization Assistance Program also creates local NH jobs.

Elder

The Organization's elder program provides senior meals in 4 community dining sites, home delivered meals (Meals on Wheels) to the frail and homebound elderly, and senior nutrition education and related programming. The Coos County ServiceLink Aging & Disability Resource Center assists with person-centered counseling, Medicare counseling, Medicaid assistance, long-term care counseling services, and caregiver supports.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

Housing Services

Cornerstone Housing North, Inc. (Cornerstone) is subject to a Project Rental Assistance Contract (PRAC) with the United States Department of Housing and Urban Development (HUD), and a significant portion of their rental income is received from HUD.

Cornerstone includes a 12-unit apartment complex in Berlin, New Hampshire for the elderly. This operates under Section 202 of the National Housing Act and is regulated by HUD with respect to the rental charges and operating methods.

Cornerstone has a Section 202 Capital Advance. Under guidelines established by the U.S. Office of Management and Budget *Uniform Guidance, Title 2 U.S. Code of Federal Regulations (CFR) part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, the Section 202 Capital Advance is considered to be a major program. A separate audit is performed as it relates to Cornerstone's compliance with its major federal program in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements of *Title 2 of U.S. Code of Federal Regulations part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards (Uniform Guidance)*. An unmodified opinion was issued.

Method of accounting

The consolidated financial statements of Tri-County Community Action Program, Inc. and affiliate have been prepared utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under this basis, revenue, other than contributions, and expenses are reported when incurred without regard to the date of receipt or payment of cash.

Basis of presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

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

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

The Organization has net assets with donor restrictions of \$345,377 and \$290,795 at June 30, 2024 and 2023, respectively. See **Note 12**.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Support that is restricted is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Most of the receivables are amounts due from federal and state awarding agencies and are based on reimbursement for expenditures made under specific grants or contracts. 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. Management selects accounts to be written off after analyzing past payment history, the age of the accounts receivable, and collection rates for receivables with similar characteristics, such as length of time outstanding. This is the basis to determine expected credit losses for receivables. The Organization believes that the composition of receivables at year-end is consistent with historical conditions. The Organization does not charge interest on outstanding accounts receivable.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

Property and Depreciation

Acquisitions of buildings, equipment, and improvements in excess of \$5,000 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Buildings, equipment, and improvements are stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets.

Depreciation expense related to assets used solely by an individual program is charged directly to the related program. Depreciation expense for assets used by more than one program is charged to the program based upon a square footage or other similar allocation.

Depreciation expense related to administrative assets is included in the indirect cost pool and charged to the programs in accordance with the indirect cost plan. Maintenance and repairs that do not materially prolong the useful lives of assets are charged to expense as incurred.

Estimated useful lives are as follows:

Buildings and improvements	20 to 40 years
Vehicles	5 to 8.5 years
Furniture and equipment	5 to 15 years

Client Rents and HUD Rent Subsidy

Cornerstone Housing North, Inc.'s rents are approved on an annual basis by the Department of Housing and Urban Development. Rental increases are prohibited without such approval. The clients are charged rent equal to 30% of their income less adjustments allowed by the Department of Housing and Urban Development. Rent subsidies are received from the Department of Housing and Urban Development for the difference between the allowed rents and the amounts received from the clients.

Refundable Advances

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services or expenditures are performed or incurred. Funds received in advance of grantor conditions being met aggregated \$85,188 and \$403,239 as of June 30, 2024 and 2023, respectively.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

Nonprofit tax status

The Organization is a not-for-profit, Section 501(c)(3) organization in accordance with the Internal Revenue Code. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and qualifies for a charitable contribution deduction for donors. The Organization files information returns in the United States. The Organization's Federal Form 990 (Return of Organization Exempt from Income Tax), is subject to examination by the IRS, generally for three years after it is filed.

The Organization follows FASB ASC 740, *Accounting for Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. Management does not believe they have taken uncertain tax positions, therefore, a liability for income taxes associated with uncertain tax positions has not been recognized.

Cornerstone Housing North, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined the Organization to be other than a private foundation within the meaning of Section 509(a).

Retirement plan

The Organization maintains a tax-sheltered annuity plan under the provisions of Section 403(b) of the Internal Revenue Code. All employees are eligible to contribute to the plan beginning on the date they are employed. Each employee may elect salary reduction agreement contributions in accordance with limits allowed in the Internal Revenue Code. Employer contributions are at the Organization's annual discretion. In January 2013, employer contribution payments ceased, therefore as of June 30, 2024 and 2023, there were no discretionary contributions recorded. Further information can be obtained from the Organization's 403(b) audited financial statements.

Donated services and goods

Contributions of donated services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

Contributed noncash assets are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as net assets with donor restrictions. In the absence of such stipulations, contributions of noncash assets are recorded as net assets without donor restrictions.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

Donated property and equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at the net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. There were no unconditional promises to give that are expected to be collected in more than one year at June 30, 2024 and 2023.

As of June 30, 2024 and 2023, there were promises to give that were absent of donor stipulations, but restricted in regards to timing, and therefore classified as net assets with donor restrictions in the amount of \$284,892 and \$192,212, respectively. This amount is included in contributions in the Consolidated Statement of Activities.

Use of estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

Fair Value of Financial Instruments

Accounting Standards Codification No. 825 (ASC 825), *Disclosures of Fair Value of Financial Instruments*, requires the Organization to disclose fair values of its financial instruments. The carrying amount of the Organization's financial instruments which consists of cash, accounts receivable, deposits and accounts payable, approximate fair value because of the short-term maturity of those instruments.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

Program salaries and related expenses are allocated to the various programs and supporting services based on actual or estimated time employees spend on each function as reported on a timesheet.

Workers Compensation expenses are charged to each program based upon the classification of each employee and allocated to the various program based upon the time employees spend on each function as noted above.

Paid Leave is charged to a leave pool and is allocated to each program as a percentage of total salaries.

Fringe Benefits are charged to a Fringe Benefit Pool. These expenses include employer payroll taxes, pension expenses, health and dental insurance and unemployment compensation. The pool is allocated to each program based upon a percentage of salaries.

Depreciation expense is allocated to each program based upon specific assets used by the program and is reported as depreciation expense on the statements of functional expenses.

Other occupancy expenses are applicable to assets which are used by multiple programs. Buildings are primarily charged to the benefiting program based upon an analysis of square footage. Costs related to a building include depreciation, insurance, utilities, building maintenance, etc. These costs are reported as space costs on the statements of functional expenses.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

Insurance: automobile insurance is allocated to programs based on vehicle usage; building liability insurance is allocated to programs based on square footage of the buildings; and insurance for furniture and equipment is allocated to programs using the book basis of the insured assets.

The remaining shared expenses are charged to an Indirect Cost Pool and are allocated to each program based upon a percentage of program expenses. The expenses include items such as administrative salaries, general liability insurance, administrative travel, professional fees, and other expenses which cannot be specifically identified and charged to a program.

The Organization submits an indirect cost rate proposal for the paid leave, fringe benefits and other indirect costs to the U.S. Department of Health and Human Services.

Advertising policy

The Organization uses advertising to inform the community about the programs it offers and the availability of services. Advertising is expensed as incurred. The total cost of advertising for the years ended June 30, 2024 and 2023 was \$16,164 and \$20,143, respectively.

Debt Issuance Costs

During the year ended June 30, 2019, the Organization retrospectively adopted the provisions of the FASB Accounting Standards Update (ASU) No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs." The ASU is limited to simplifying the presentation of debt issuance costs, and the recognition and measurement guidance for debt issuance costs is not affected by the ASU. Amortization expense of \$887 has been included with interest expense in the consolidated statements of functional expenses for both 2024 and 2023.

Revenue Recognition Policy

The Organization derives revenue primarily from grants, contracts, and contributions. Grants are recognized as revenue upon receipt. Revenue from contracts is recognized when the service has been performed. Contributions are recognized as revenue when the donor makes a pledge to give that is, in substance, an unconditional promise. Contributions are recorded as with donor restrictions or without donor restrictions.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

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

New Accounting Pronouncement

At July 1, 2023, the Organization adopted FASB ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

NOTE 2. LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash and cash equivalents, undesignated	\$ 4,658,626	\$ 4,400,730
Restricted cash, Guardianship Services Program	1,026,499	1,313,655
Accounts receivable	2,044,392	2,024,546
Pledges receivable	284,892	192,212
Restricted cash	<u>449,389</u>	<u>413,721</u>
Total financial assets	<u>8,463,798</u>	<u>8,344,864</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	345,377	290,795
Restricted cash, Guardianship Services Program	1,026,499	1,313,655
Restricted cash	449,389	413,721
Less net assets with time restrictions to be met in less than a year	<u>(310,948)</u>	<u>(254,537)</u>
Amounts not available within one year	<u>1,510,317</u>	<u>1,763,634</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 6,953,481</u>	<u>\$ 6,581,230</u>

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

It is the Organization's goal to maintain financial assets to meet 60 days of operating expenses which approximates \$3,352,000 and \$6,982,000 at June 30, 2024 and 2023, respectively.

NOTE 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, funds on deposit with financial institutions, and investments with original maturities of three months or less. At year end and throughout the year, the Organization's cash balances were deposited with multiple financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) for each financial institution up to \$250,000. Cash balances may exceed the insured limits at times throughout the year.

The following table provides a reconciliation of cash and restricted cash reported within the statements of financial position that sum to the total in the statements of cash flows as of June 30:

	<u>2024</u>	<u>2023</u>
Cash, operations	\$ 4,658,626	\$ 4,400,730
Restricted cash, current	1,026,499	1,313,655
Restricted cash, long term	<u>449,389</u>	<u>413,721</u>
Total cash and restricted cash	<u>\$ 6,134,514</u>	<u>\$ 6,128,106</u>

Cash Restrictions

The Organization was required to maintain a deposit account with a bank as part of the loan security agreement disclosed at **Note 7**. It was required to maintain a balance of \$19,968 in the account, which was restricted from withdrawal except to make payments of debt service or as approved by the U.S. Department of Agriculture.

Amounts withdrawn to make payments of debt service were required to be replenished with monthly deposits until the maximum required deposit balance was achieved. As the note payable was paid off during the year ended June 30, 2024, there was no balance at June 30, 2024. The balance at June 30, 2023 was \$20,079 and is included in restricted cash in the Consolidated Statements of Financial Position for the year ended June 30, 2023. The Organization made all of their scheduled deposits for the years ended June 30, 2024 and 2023.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

The Organization is required to maintain a deposit account with another bank as part of a bond issue (see bond payable in **Note 7**). The required balance in the account is \$173,817 and is equal to 12 monthly payments. The balance as of June 30, 2024 and 2023 was \$174,841, and the Organization was in compliance with this requirement. These amounts are included in restricted cash in the Consolidated Statements of Financial Position.

The Organization maintains a deposit account on behalf of clients who participate in the Guardianship Services Program. The balance in the account is restricted for use on behalf of these clients and an offsetting liability is reported on the financial statements as other current liabilities. The total current liability related to this restriction at June 30, 2024 and 2023 was \$1,026,499 and \$1,313,655, respectively. These amounts are included in other liabilities on the Statements of Financial Position. The total restricted cash within this account at June 30, 2024 and 2023 was \$1,026,499 and \$1,313,655, respectively, and is included in the restricted cash, Guardianship Services Program balance on the Consolidated Statements of Financial Position.

Certain cash accounts related to Cornerstone Housing North, Inc. are restricted for certain uses in the Organization under rules and regulations prescribed by the Department of Housing and Urban Development. The total amount restricted at June 30, 2024 and 2023 was \$274,548 and \$218,801, respectively. See **Note 14**.

NOTE 4. INVENTORY

In 2024 and 2023, inventory included weatherization materials which had been purchased in bulk. These items are valued at the most recent cost. A physical inventory is taken annually. Cost is determined using the first-in, first-out (FIFO) method. Inventory at June 30, 2024 and 2023 consists of weatherization materials, totaling \$102,774 and \$123,409, respectively.

NOTE 5. PROPERTY

Property consists of the following at June 30, 2024:

	<u>Capitalized Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Building	\$ 10,149,618	\$ 5,137,508	\$ 5,012,110
Equipment	2,262,710	1,857,361	405,349
Construction in progress	-	-	-
Land	<u>418,840</u>	<u>-</u>	<u>418,840</u>
	<u>\$ 12,831,168</u>	<u>\$ 6,994,869</u>	<u>\$ 5,836,299</u>

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

Property consists of the following at June 30, 2023:

	<u>Capitalized Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Building	\$ 10,119,418	\$ 4,630,469	\$ 5,488,949
Equipment	2,278,559	1,892,030	386,529
Construction in progress	42,114	-	42,114
Land	<u>418,840</u>	<u>-</u>	<u>418,840</u>
	<u>\$ 12,858,931</u>	<u>\$ 6,522,499</u>	<u>\$ 6,336,432</u>

The Organization has use of computers and equipment which are the property of state and federal agencies under grant agreements. The equipment, whose book value is immaterial to the financial statements, is not included in the Organization's property and equipment totals.

Depreciation expense for the years ended June 30, 2024 and 2023 totaled \$529,444 and \$527,962, respectively.

NOTE 6. ACCRUED COMPENSATED ABSENCES

For the years ending June 30, 2024 and 2023, employees of the Organization were eligible to accrue vacation for a maximum of 160 hours. At June 30, 2024 and 2023, the Organization had accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$227,225 and \$249,777, respectively.

NOTE 7. LONG TERM DEBT

The long term debt of the Organization as of June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Note payable with the USDA requiring 360 monthly installments of \$1,664, including interest at 5% per annum. Secured by general business assets. The note was paid off during 2024.	\$ -	\$ 64,236
Note payable with a bank requiring 120 monthly installments of \$2,936, including interest at 4% per annum. Secured by first mortgages on two commercial properties. Final installment due April 2031.	209,941	236,057

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Bond payable with a bank requiring monthly installments of \$14,485, including interest of 2.75% plus the bank's internal cost of funds multiplied by 67% with an indicative rate of 3.28%. Secured by first commercial real estate mortgage on various properties and assignments of rents at various properties. Final installment due August 2040.	2,173,841	2,276,888
Cornerstone Housing North, Inc. capital advance due to the U.S. Department of Housing and Urban Development. This capital advance is not subject to interest or principal amortization and will be forgiven after 40 years, or in August 2047.	1,617,600	1,617,600
Cornerstone Housing North, Inc. mortgage payable due to New Hampshire Housing Finance Authority. The mortgage is not subject to interest or principal amortization. Payments are deferred for 40 years; final payment due in August 2047.	<u>250,000</u>	<u>250,000</u>
Total long term debt before unamortized debt issuance costs	4,251,382	4,444,781
Unamortized debt issuance costs	<u>(7,383)</u>	<u>(8,270)</u>
Total long term debt	4,243,999	4,436,511
Less current portion due within one year	<u>(135,315)</u>	<u>(139,961)</u>
	<u>\$ 4,108,684</u>	<u>\$ 4,296,550</u>

The scheduled maturities of long-term debt as of June 30, 2024 are as follows:

<u>Years ending</u> <u>June 30</u>	<u>Amount</u>
2025	\$ 135,315
2026	140,153
2027	143,926
2028	148,439
2029	153,097
Thereafter	<u>3,530,452</u>
	<u>\$ 4,251,382</u>

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

As described at **Note 3**, the Organization was required to maintain a reserve account with a bank for the first note payable listed above.

NOTE 8. DEMAND NOTE PAYABLE

The Organization has available a \$750,000 line of credit with its primary financial institution which is secured by real estate mortgages and assignments of leases and rents on various properties as disclosed in the line of credit agreement. Borrowings under the line bear interest for the years ended June 30, 2024 and 2023 at 9.50% and 9.25% per annum, respectively. There was no balance outstanding at June 30, 2024 and 2023. The line is subject to renewal each February.

NOTE 9. OPERATING LEASES

The right of use (ROU) asset represents the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has elected to discount future cash flows at the risk-free borrowing rates commensurate with the lease terms, which was 3.01%, at the time of implementing ASU 2016-02, *Leases (Topic 842)*. Common expenses, classified as space costs in the accompanying financial statements, are considered a non-lease component under FASB ASC 842 and are recognized as costs are incurred. The Organization's operating leases are described below.

The Organization has entered into numerous lease commitments for space and office equipment. Leases under non-cancelable lease agreements have various starting dates, lengths, and terms of payment and renewal. Additionally, the Organization has several facilities which are leased on a month-to-month basis. For the years ended June 30, 2024 and 2023, the annual rent expense for leased facilities and office equipment totaled \$189,337 and \$192,365, respectively.

The weighted average remaining lease term at June 30, 2024 is 1.64 years and the weighted average discount rate at June 30, 2024 is 3.09%.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

Lease liability maturities as of June 30, 2024 are as follows:

<u>Year Ending</u> <u>June 30:</u>	<u>Amount</u>
2025	\$ 59,685
2026	52,460
2027	11,372
2028	<u>4,737</u>
Total undiscounted lease liability	128,254
Less imputed interest	<u>(4,437)</u>
Total lease liability	<u>\$ 123,817</u>

Subsequent to year end, the Organization entered into multiple lease agreements for office equipment, ranging from four to five years. The future minimum lease payments on these leases are as follows:

<u>Year ending</u> <u>June 30:</u>	<u>Amount</u>
2025	\$ 12,780
2026	15,336
2027	15,336
2028	15,336
2029	15,046
Thereafter	<u>2,498</u>
	<u>\$ 76,332</u>

NOTE 10. IN-KIND CONTRIBUTIONS

The Organization records the value of in-kind contributions according to the accounting policy described in **Note 1**. The Head Start, Transportation and Elder programs rely heavily on volunteers who donate their services to the Organization. These services are valued based upon the comparative market wage for similar paid positions.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

The fair value of donated services included as contributions in the consolidated financial statements and the corresponding program expenses for the year ended June 30, 2024 are as follows:

	<u>Head Start</u>	<u>Senior Meals</u>	<u>Transportation</u>	<u>Total</u>
Professional services and services for disabled	\$ 68,708	\$ -	\$ 26,675	\$ 95,383
Packing, setup and delivery of congregate and home delivered meals	-	141,565	-	141,565
	<u>\$ 68,708</u>	<u>\$ 141,565</u>	<u>\$ 26,675</u>	<u>\$ 236,948</u>

The fair value of donated services included as contributions in the consolidated financial statements and the corresponding program expenses for the year ended June 30, 2023 are as follows:

	<u>Head Start</u>	<u>Senior Meals</u>	<u>Total</u>
Professional services and services for disabled	\$ 76,770	\$ -	\$ 76,770
Packing, setup and delivery of congregate and home delivered meals	-	102,077	102,077
	<u>\$ 76,770</u>	<u>\$ 102,077</u>	<u>\$ 178,847</u>

Numerous volunteers have donated significant amounts of time to the Organization's program services. Although no amounts have been reflected in the consolidated financial statements, management estimates the fair value of those services to be approximately \$400,250 and \$367,930 for the years ended June 30, 2024 and 2023, respectively.

The Organization is also the beneficiary of a donation of in-kind in the form of below market rent for some of the facilities utilized by the Head Start and Elder programs. The value of the in-kind rent is recorded at the difference between the rental payment and the market rate for the property based upon a recent appraisal.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

The fair value of donated facilities included as contributions in the consolidated financial statements and the corresponding program expenses for the year ended June 30, 2024 are as follows:

	<u>Head Start</u>	<u>Senior Meals</u>	<u>Transportation</u>	<u>RSVP</u>	<u>Total</u>
Difference between rent paid and market rate	\$ 68,291	\$ 5,500	\$ 6,818	\$ 1,600	\$ 82,209

The fair value of donated facilities included as contributions in the consolidated financial statements and the corresponding program expenses for the year ended June 30, 2023 are as follows:

	<u>Head Start</u>	<u>Senior Meals</u>	<u>Total</u>
Difference between rent Paid and market rate	\$ 69,097	\$ 4,100	\$ 73,197

The fair value of other gifts in kind included as contributions in the consolidated financial statements and the corresponding program expenses for the year ended June 30, 2024 are as follows:

	<u>Head Start</u>	<u>RSVP</u>	<u>Transportation</u>	<u>Total</u>
Employee use of home	\$ 79,563	\$ -	\$ -	\$ 79,563
Donated goods	-	560	23,283	23,843
Total	\$ 79,563	\$ 560	\$ 23,283	\$ 103,406

The fair value of other gifts in kind included as contributions in the consolidated financial statements and the corresponding program expenses for the year ended June 30, 2023 are as follows:

	<u>Head Start</u>	<u>Homeless</u>	<u>Transportation</u>	<u>Total</u>
Employee use of home	\$ 73,495	\$ -	\$ -	\$ 73,495
Donated goods	-	-	24,948	24,948
Hotel rooms for homeless clients	-	128,764	-	128,764
Total	\$ 73,495	\$ 128,764	\$ 24,948	\$ 227,207

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 11. CONCENTRATION OF RISK

The Organization receives a majority of its support from federal and state governments. For the years ended June 30, 2024 and 2023, approximately \$16,920,800 (77%) and \$39,361,300 (89%), respectively, of the Organization's total revenue was received from federal and state governments. If a significant reduction in the level of support were to occur, it would have a significant impact on the Organization's programs and activities.

Cornerstone receives a large majority of its support from the U.S. Department of Housing and Urban Development. For the years ended June 30, 2024 and 2023, approximately 60% and 61%, respectively, of Cornerstone's total revenue was derived from the U.S. Department of Housing and Urban Development. In the absence of additional revenue sources, the future existence of Cornerstone Housing North, Inc. is dependent upon the funding policies of the U.S. Department of Housing and Urban Development.

The majority of Cornerstone's assets are apartment projects, for which operations are concentrated in the elderly person's real estate market. In addition, Cornerstone operates in a regulated environment. The operation of Cornerstone is subject to administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the administrative burden, to comply with the change.

NOTE 12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following specific program services as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Temporary municipal funding	\$ 284,892	\$ 192,212
Restricted buildings	34,431	36,257
FAP/EAP	1,681	14,092
Head Start	1,472	3,577
Loans – HSGP	22,901	23,484
RSVP program funds	-	15,708
CC Coos	-	5,099
CC Carroll	-	180
CC Grafton	-	180
LIWAP Program	-	6
	<u> </u>	<u> </u>
Total net assets with donor restrictions	<u>\$ 345,377</u>	<u>\$ 290,795</u>

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 13. COMMITMENTS AND CONTINGENCIES

Grant Compliance

The Organization receives funds under several federal and state grants. Under the terms of the grants the Organization is required to comply with various stipulations including use and time restrictions. If the Organization was found to be noncompliant with the provisions of the grant agreements, the Organization could be liable to the grantor or face discontinuation of funding.

Environmental Contingencies

On March 30, 2009, the Organization's Board of Directors agreed to secure ownership of a 1.2-acre site located in Berlin, New Hampshire. There are 2 buildings on this site designated as the East Wing and West Wing Buildings which were formerly used as a research and development facility for the Berlin Mills Company.

The exterior soil and interior parts of the East Wing Building contained contaminants which required environmental remediation. In a letter dated May 2, 2012, the State of New Hampshire Department of Environment Services (the Department) noted that the remedial actions for the exterior soils and parts of the East Wing Building had been completed to the Department's satisfaction.

In addition, the Department noted that the contaminants related to the West Wing Building did not pose an exposure hazard to site occupants, area residents, and the environment, provided the West Wing Building is maintained to prevent further structural deterioration. If further deterioration occurs and contaminants are released into the environment, the Organization could be required to take additional action including containment and remediation.

NOTE 14. REPLACEMENT RESERVE AND RESIDUAL RECEIPTS ACCOUNTS

Under Cornerstone's regulatory agreement with HUD, the Organization is required to set aside amounts into a replacement reserve for the replacement of property and other project expenditures approved by HUD. HUD-restricted deposits of \$264,483 and \$207,956 were held in a segregated account at June 30, 2024 and 2023, respectively.

During the year ended June 30, 2023, HUD approved a loan from the replacement reserve account to the operating account to cover operating expenses due to the delay in HAP vouchers being processed by HUD. During the year ended June 30, 2024, the \$26,649 loan was paid back to the replacement reserve account. HUD restricted deposits generally are not available for operating purposes.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

Cornerstone's use of the residual receipts account is contingent upon HUD's prior written approval. Residual receipts of \$6,455 and \$6,454 were held in a segregated account for the years ended June 30, 2024 and 2023, respectively.

Under the regulatory agreement, Cornerstone is required to set aside amounts for the return of resident paid deposits. At June 30, 2024 and 2023 \$3,610 and \$4,391, respectively, were held in a segregated account and generally are not available for operating purposes.

HUD has initiated policies to recapture funds built up in residual receipts accounts upon renewal of Cornerstone's project rental assistance contract. The policies direct that the amounts in excess of certain limits in the residual receipts account be (a) used to offset rent subsidies due from HUD under HAP contracts, or (b) remitted directly to HUD. The policies generally require project owners to limit the monies accumulated in the residual receipts account to \$250 per unit.

NOTE 15. SUBSEQUENT EVENTS

The Organization has evaluated events through November 13, 2024, which is the date that the financial statements were available to be issued.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND NON-FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

FEDERAL GRANTOR/PROGRAM TITLE	FEDERAL ALN	PASS-THROUGH GRANTOR'S NAME	GRANTOR'S IDENTIFYING NUMBER	FEDERAL EXPENDITURES
U.S. Department of Health and Human Services				
HEAD START CLUSTER				
Head Start	93.600		01CH011936-03-01	\$ 1,807,043
Head Start	93.600		01CH011936-04-00	1,250,524
			CLUSTER TOTAL	<u>3,057,567</u>
Low-Income Home Energy Assistance	93.568	State of New Hampshire Office of Energy and Planning	2301NHLIEA/2301NHLIEE	242,563
Low-Income Home Energy Assistance	93.588	State of New Hampshire Office of Energy and Planning	2401NHLIEA	6,750,796
Low-Income Home Energy Assistance	93.568	State of New Hampshire Office of Energy and Planning	2301NHLIEA	433,706
			TOTAL	<u>7,427,065</u>
Low-Income Household Water Assistance Program	93.499	State of New Hampshire Office of Energy and Planning	2401NHLWC5/6	<u>295,798</u>
AGING CLUSTER				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (SEAS)	93.044	State of New Hampshire Office of Energy and Planning	SEAS2101NHOASS	9,463
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (Sr. Wheels)	93.044	State of New Hampshire Department of Health and Human Services	RFA-2023-BEAS-07-TRANS-11	115,581
			TOTAL	<u>125,044</u>
Special Programs for the Aging - Title III, Part C - Nutrition Services (Congregate & HD Meals)	93.045	State of New Hampshire Department of Health and Human Services	RFA-2023-BEAS-04-BEASN-09	279,075
ARPA - Special Programs for the Aging - Title III, Part C - Nutrition Services (HD Meals)	93.045	State of New Hampshire Department of Health and Human Services	RFA-2023-BEAS-04-BEASN-09	134,975
			TOTAL	<u>414,050</u>
Nutrition Services Incentive Program (NSIP)	93.053	State of New Hampshire Department of Health and Human Services	NONE	79,730
			CLUSTER TOTAL	<u>618,824</u>
Community Services Block Grant	93.569	State of New Hampshire Department of Health and Human Services	SS-2019-BHS-02-COMMU-05-A02 & A03	<u>445,363</u>
National Family Caregiver Support, Title III, Part E	93.052	State of New Hampshire Department of Health and Human Services	RFA-2021-DLTSS-08-SERVI-07-A02	32,370
State Health Insurance Assistance Program	93.324	State of New Hampshire Department of Health and Human Services	RFA-2021-DLTSS-08-SERVI-07-A02	15,677
Medicare Enrollment Assistance Program	93.071	State of New Hampshire Department of Health and Human Services	RFA-2021-DLTSS-08-SERVI-07-A02	9,525
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	State of New Hampshire Department of Health and Human Services	RFA-2021-DLTSS-08-SERVI-07-A02	8,950
Activities to Support STLT Health Department Response to Public Health or Healthcare Crises	93.391	State of New Hampshire Department of Health and Human Services	SS-2022-DPHS-13-REGIO-01-A01	<u>562,440</u>
Social Services Block Grant (Title XX I&R)	93.667	State of New Hampshire Department of Health and Human Services	RFA-2021-DLTSS-08-SERVI-07-A02	62,789
Social Services Block Grant (Title XX HD)	93.667	State of New Hampshire Department of Health and Human Services	RFA-2023-BEAS-04-BEASN-09	121,538
Social Services Block Grant (Guardianship)	93.667	State of New Hampshire Department of Health and Human Services	SS-2022-DBH-01-GUARD-02	26,839
			TOTAL	<u>231,146</u>
Total U.S. Department of Health and Human Services				<u>\$ 12,704,725</u>

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND NON-FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

FEDERAL GRANTOR/PROGRAM TITLE	FEDERAL ALN	PASS-THROUGH GRANTOR'S NAME	GRANTOR'S IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of Energy</u>				
Weatherization Assistance for Low-Income Persons	61.042	State of New Hampshire Governor's Office of Energy & Community Services	DE-EE0009916	\$ 392,962
BIL - Weatherization Assistance for Low-Income Persons	61.042	State of New Hampshire Governor's Office of Energy & Community Services	DE-EE00100001	632,963
Total U.S. Department of Energy				<u>\$ 1,025,925</u>
<u>U.S. Corporation for National and Community Service</u>				
Retired and Senior Volunteer Program	94.002		22SRFNH001	\$ 40,269
Total U.S. Corporation for National and Community Service				<u>\$ 40,269</u>
<u>U.S. Department of Agriculture</u>				
Child and Adult Care Food Program	10.558	State of New Hampshire Department of Education	NONE	\$ 154,628
Total U.S. Department of Agriculture				<u>\$ 154,628</u>
<u>U.S. Department of Transportation</u>				
Formula Grants for Rural Areas (Section 5311)	20.509	State of New Hampshire Department of Transportation	04-96-96-964010-2916-072-5	\$ 307,406
TRANSIT SERVICES PROGRAMS CLUSTER				
Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310)	20.513	State of New Hampshire Department of Transportation	04-96-96-964010-2916-072-5	372,088
			CLUSTER TOTAL	<u>372,088</u>
Total U.S. Department of Transportation				<u>\$ 679,494</u>
<u>U.S. Department of Housing and Urban Development</u>				
Emergency Solutions Grant Program	14.231	State of New Hampshire Department of Health and Human Services	RFA-2023-DEHS-01-EMERG-03-A01	\$ 88,139
CV-Emergency Solutions Grant Program	14.231	State of NH Governor's Office for Emergency Relief & Recovery	RFA-2023-DEHS-01-EMERG-03-A01	125,886
			TOTAL	<u>214,025</u>
Continuum of Care Program (HOIP)	14.267	State of New Hampshire Department of Health and Human Services	NH0020L1T001811	9,563
Continuum of Care Program (HOIP)	14.267	State of New Hampshire Department of Health and Human Services	SS-2024-DBH-13-CONTI-01	188,619
Continuum of Care Program (HOIP)	14.267	State of New Hampshire Department of Health and Human Services	SS-2019-BHHS-01-Coord-05	122,170
Continuum of Care Program (HOIP)	14.267	State of New Hampshire Department of Health and Human Services	SS-2023-DEHS-07-YOUTH-02	29,373
Continuum of Care Program (HOIP)	14.267	State of New Hampshire Department of Health and Human Services	SS-2023-DEHS-07-YOUTH-01	16,863
			TOTAL	<u>366,588</u>
Total U.S. Department of Housing and Urban Development				<u>\$ 580,613</u>

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND NON-FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

FEDERAL GRANTOR/PROGRAM TITLE	FEDERAL ALN	PASS-THROUGH GRANTOR'S NAME	GRANTOR'S IDENTIFYING NUMBER	FEDERAL EXPENDITURES
U.S. Department of the Treasury				
Emergency Rental Assistance Program	21.023	NH Housing Finance Authority		159,281
Emergency Rental Assistance Program	21.023	State of New Hampshire Department of Health and Human Services	RFA-2024-DBH-03-COLDW-06	79,634
Total U.S. Department of the Treasury				<u>\$ 238,915</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 15,424,569</u>
NON-FEDERAL				
Electrical Assistance Program		Community Action Program Belknap-Merrimack Counties, Inc.		<u>\$ 259,317</u>

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Tri-County Community Action Program, Inc. under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Tri-County Community Action Program, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE C - INDIRECT RATE

Tri-County Community Action Program Inc. has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Tri-County Community Action Program, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tri-County Community Action Program, Inc. (a New Hampshire nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of functional expenses, and cash flows for the years then ended, the related notes to the financial statements, and the related statement of activities for the year ended June 30, 2024 and have issued our report thereon dated November 13, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tri-County Community Action Program, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tri-County Community Action Program, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Tri-County Community Action Program, Inc.'s internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

*Leone McDonnell & Roberts
Professional Association*

North Conway, New Hampshire
November 13, 2024

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

To the Board of Directors of
Tri-County Community Action Program, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Tri-County Community Action Program, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Tri-County Community Action Program, Inc.'s major federal programs for the year ended June 30, 2024. Tri-County Community Action Program, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Tri-County Community Action Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Tri-County Community Action Program, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Tri-County Community Action Program, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Tri-County Community Action Program, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Tri-County Community Action Program, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Tri-County Community Action Program, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Tri-County Community Action Program, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Tri-County Community Action Program, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Tri-County Community Action Program, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Leone McDonnell & Roberts
Professional Association*

North Conway, New Hampshire
November 13, 2024

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

1. The auditors' report expresses an unmodified opinion on the financial statements of Tri-County Community Action Program, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Tri-County Community Action Program, Inc. which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs during the audit are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance*.
5. The auditors' report on compliance for the major federal award programs for Tri-County Community Action Program, Inc. expresses an unmodified opinion on all major programs.
6. No audit findings that are required to be reported in accordance with 2 CFR 200.516(a) are reported in this Schedule.
7. The programs tested as major programs included:
 - U.S. Department of Health & Human Services, Low Income Home Energy Assistance Program – ALN 93.568
 - U.S. Department of the Energy, Weatherization Assistance for Low Income Persons – ALN 81.042
 - U.S. Department of Health & Human Services, Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises – ALN 93.391
 - NON- Federal, Public Utilities, Electrical Assistance Program
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Tri-County Community Action Program, Inc. was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None



TRI-COUNTY

COMMUNITY ACTION

Serving Coös, Carroll & Grafton Counties since 1965

Helping People. Changing Lives.

Board of Directors FY2024

Coos County

Board Chair

Sandy Alonzo

Inducted 2014 Renewed 3-2023

Business Sector

Interim Secretary

Brian Hoffman

Inducted 9-2021

Business Sector

Gabrielle Omalley

Carroll County

Melissa Mullen

Inducted 9-2022

Business Sector

Treasurer

John Bolton

Inducted 4-2024

Low Income Sector

Grafton County

Linda Massimilla

Inducted 2015 Renewed 2-2022

Elected Official Sector

Vice Chair

Ruth Heintz

Inducted 7-2021

Business Sector

Erika Collins

Benoit Lamontagne



TRI-COUNTY COMMUNITY ACTION

Serving Coös, Carroll & Grafton Counties since 1965

Helping People. Changing Lives.

Tri County Community Action Program, Inc. Key Personnel Sheet

<u>Name</u>	<u>Role</u>	<u>Annual Salary</u>	<u>Amount Paid From This Contract</u>
Jeanne Robillard	CEO	\$132,000	\$0.00
Randall Pilotte	CFO	\$100,888	\$0.00
Brenda Gagne	CPO	\$90,480	\$0.00

CEO: Jeanne L. Robillard CPO: Brenda Gagne CFO: Randall S. Pilotte
30 Exchange Street, Berlin NH 03570 P: 603-752-7001
www.tccap.org FB@TriCountyCommunityActionProgram

CORE STRENGTHS

Program development, management and administration ♦ Community collaborations
Development of policy, protocol, and service delivery to meet funder standards
Grant writing and management ♦ Budget performance and financial reporting
Innovative solutions & problem solving ♦ Capacity building
Professional presentations ♦ Public speaking
Dedication ♦ Imagination ♦ Determination ♦ Fortitude

PROFESSIONAL EXPERIENCE

Tri-County Community Action Programs, Inc.
Chief Executive Officer
Berlin, NH 2018 - current FT employment

Tri-County Community Action Programs, Inc.
Chief Operating Officer
Berlin, NH 2016 - 2018

Responsible for the operations of six agency Divisions with 15 individual programs that provide over 60 consumer services across three counties of Northern New Hampshire. Essential duties include; supervision of Division Directors, oversee and monitor program resources, revenues, expenditures and budget performance; tactical oversight of programs to meet or exceed agency defined strategic goals; develop and implement strategies to improve individual programs and overall agency program and fiscal performance; oversee and lead special projects such as the Annual Report, Strategic Plan, Community Needs Assessment process, and work with Senior Management Team to develop new service initiatives. Provide tactical guidance to Division Directors to trouble shoot issues and problems in the daily operations of programs.

Tri-County Community Action Programs, Inc.
Division Director: TCCAP Prevention Services
Berlin, NH 2015- 2016

Responsible for four agency programs under the umbrella of TCCAP Prevention Services; oversee division resources, revenues, and expenditures and monitor budget performance; general oversight of programs to meet or exceed agency defined strategic goals; supervise program directors; write grants to support programs, monitor results, and prepare grant reports and financial statements for funders and agency; develop fundraising and marketing strategies for programs; represent program through participation in state and local initiatives relative to program/division goals and service delivery; collaborate with stakeholders and elected officials, including presenting legislative testimony.

Tri-County Community Action Programs, Inc.
Program/Division Director: Support Center at Burch House
Littleton, New Hampshire 2007- 2015

Oversee daily operation and supervision of domestic and sexual violence crisis center and residential shelter; write grants to support programs, monitor results, and prepare grant reports and financial statements for funders and parent agency; oversee program resources, revenues and expenditures, and monitor budget performance and progress toward strategic goals; create and direct victim advocacy programs to ensure compliance with grant deliverables and applicable state and federal law; develop fundraising and marketing strategies; participate in state and local collaborations to enhance victim services; represent program in state and federal victim service initiatives, including presentation of legislative testimony; create and present trainings for medical and legal professionals on legal standards and best practices for victim services.

**Bookkeeper: Women's Rural Entrepreneurial Network (WREN)
Bethlehem, NH current PT employment**

Responsible for grant fiscal tracking, reporting, funds release and account transfers, bi-weekly payroll and 941 payments, accounts payable and receivable, month end reconciliations for bank accounts, credit cards, petty cash, retail and market sales; monthly POS/QB reconciliation for three retail locations, preparing monthly cash flow, forecasts, and standard fiscal reports for Board of Directors.

Tri-County Community Action Programs, Inc.

**Direct Services/Volunteer Coordinator: Support Center at Burch House
Littleton, New Hampshire 1997 to 2007**

Provide advocacy and direct service to victims of domestic and sexual violence; supervise court advocacy programs; recruit, train and supervise staff, volunteers, and interns; develop agency systems, policies and protocols; create and present community outreach presentations and campaigns; present school-based violence prevention classes for grades K-12 ; provide on-call coverage of crisis line

Director: Haverhill Area Juvenile Diversion Program

Woodsville, New Hampshire 1999-2001

Recruit, train, and supervise volunteer diversion committees; establish community programming for diverted youth; supportive counseling of youth; maintain collaborative relationships between the court system, juvenile service officers, local police departments, and diversion program; prepare and file court reports on diverted youth; community outreach and education

Counselor/Title I Teacher: Northern Family Institute-Jefferson Shelter

Jefferson, New Hampshire 1996-1999

Provide individual supportive counseling to adjudicated youth, facilitate peer support groups, develop and implement treatment plans and case management services to clients, supervise and tutor youth in classroom setting, supervise youth in daily living skills

Education

BS in Human Services, Springfield College School of Human Services, Boston, MA

Criminal Justice Concentration, *Graduated with 4.0 GPA*

AS in Drug and Alcohol Rehabilitation Counseling (DARC Program)

Southern Connecticut Community College, New Haven, CT

Additional Skills, Professional Leadership and Civic Affiliations

- ◆ Chairman, Bethlehem Board of Selectmen, Town of Bethlehem Twice Elected 2006-2010
- ◆ Chairman, Arts Alliance of Northern New Hampshire 2000-2003, *Treasurer 1996-1998*
- ◆ Chairman, Haverhill Area Family Violence Council 1998-2003
- ◆ Certified PRIME FOR LIFE Impaired Driver Intervention Program Instructor #NH16199
- ◆ Registered Sexual Harassment Prevention Trainer in the State of New Hampshire
- ◆ Board Member, Women's Rural Entrepreneurial Network 2014; *Individual Member 2008-2017*
- ◆ Bethlehem Planning Board 2010 - 2015
- ◆ Bethlehem Conservation Commission 2006 - *current*
- ◆ Granite United Way, North Country Cabinet Member 2011-2012
- ◆ TCCAP: Commendation- Division Director Award, 2011
- ◆ Bethlehem Citizen's Advisory Committee on Recycling 2007-2010
- ◆ Licensed Foster Parent, State of NH 2000-2006
- ◆ Small Business Owner : Aurora Energies 2015- *current*
- ◆ Speakeasy Trio Jazz Vocalist/ Sweet Jamm Swing Band Jazz Vocalist 1997- *current*
- ◆ Member, United States Figure Skating Association/International Skating Institute *current since 1993*

RANDALL S. PILOTTE

SUMMARY

Accounting professional with over 29 years of experience, of which 21 years were with a single private manufacturer. 16 years of experience managing accounting professionals. Key competencies include:

Financial Statements	Accounts Payables	Inventory	Fixed Assets
Payroll	Bank Reconciliations	Accounts Receivables	Sales/Use Tax
Budgeting	Cash Flow Management	Audits	Forecasting

EXPERIENCE

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC., Berlin, NH

06/2013-Present

CFO (2017 – Present)

Work closely with the CEO, Treasurer and Finance Committee to identify performance goals for the Agency and to maintain systems to monitor performance against those goals. Plan, direct, coordinate, implement and evaluate the financial management systems and activities of the Agency with a budget of \$18M.

- Prepare/provides complete and accurate financial, statistical, and accounting records for the Agency and outside regulatory agencies.
- As a member of the senior management team, assists in the formulation and execution of corporate finance policies, objectives and programs.
- Prepares program and agency budgets in conjunction with the CEO and Program Directors. Plan, direct, coordinate, implement and evaluate fiscal performance reviews of Tri-County CAP's divisions.
- Hire, train, direct and evaluate employee performance within the department; recommend promotions and salary adjustments.
- Provides supervision and direction for the Facilities Management Team, ensuring that all mortgages, leases and covenants are maintained for Tri-County CAP's facilities. Creation of five-year capital plan.
- Reviews cash flows for each division, monitor cash management practices, and monitor investments associated with each property.
- Prepared five-year debt reduction plan.

Fiscal Director/Interim CFO (2016 – 2017)

- Direct and manage a fiscal staff of 5 and processes associated with the general ledger, payroll, and accounts payable, accounts receivable, cash receipts and fixed assets.
- Prepare and supervise the production of financial statements including Balance Sheet, Revenue and Expense Reports, and Cost Summaries on a monthly and annual basis.
- Maintain proper accounting controls on grants and contributions to ensure accurate revenue reporting and expense tracking to support periodic monitoring's by funders and auditors.
- Ensure all balance sheet, revenue and expense accounts are analyzed and reconciled periodically.
- Collaborate with Division Directors to monitor departmental revenue and expenses versus budget.
- Worked with the CFO to develop real time monthly and annual financial reporting; and implementing departmental goals.
- Prepare audit schedules for external auditors.
- Collaborate with external auditors in completing annual audit in a timely manner.

Accounting Manager (2015-2016)

Sr. Accountant (2013-2014)

RANDALL PILOTTE RESUME:

KENT NUTRITION GROUP, INC. (f/k/a Blue Seal Feeds, Inc.), Londonderry, NH

03/1989-09/2010

Assistant Controller (2005-2010)

- Ensured an accurate and timely monthly and year end close, consisting of the preparation of a consolidated and individual financial statement in accordance with GAAP for nine manufacturing plants and 11 retail stores with gross revenues in excess of \$200M. Additional responsibilities included preparing journal entries, account analysis, inventory review and observation, fixed assets, and depreciation.
- Managed, trained, and supervised a staff accountant responsible for ensuring accurate journal entries, inventory reconciliation, tonnage tax returns, bank reconciliations, and assignment of special projects.
- Oversaw all aspects of proprietary software, multi-state payroll system for 500 employees. Prepared all federal and state payroll tax reports, including quarterly and year-end returns, processing of W2s, and supervision of payroll clerk.
- Interfaced with 18 various banks throughout New England and Mid-Atlantic area used as depositories.
- Prepared multi-state sales/use tax returns and acted as point of contact for audits.
- Pro-actively coached and consulted plant and store management on the annual budget development process.
- Oversaw month-end accruals.
- Assisted and responded to auditors' requests on annual audit.
- Filed annual franchise and abandoned property reports with appropriate states.

Accounting Manager (1999-2005)

Supported the Corporate Controller's initiatives by providing supervision and oversight to the Accounting function. Supervised and trained two accounts payable clerks on Chart of Accounts, Accounts Payable, timely and accurate processing and payment of vendor's invoices, employee travel reimbursements, and standard accounting practices.

Accountant/Payroll Supervisor (1994-1999)

Accountant (1989-1994)

NORTHERN TELECOM, INC., Concord, NH

05/1987-03/1989

Associate Results Accountant (1988-1989)

Accounts Payable (1987-1988)

E D U C A T I O N

Bachelor of Science, Accounting, FRANKLIN PIERCE COLLEGE, Concord, NH

**Brenda Gagne
Chief Program Officer
Tri County Community Action Program Inc.**

Professional Summary:

Successful oversight of the day to day aspects and operations of Tri County CAP's Transit, Guardianship and Energy Assistance Programs.

Experience:

Tri County Community Action Program, Inc.

6/30/2020 - Present

Department Head, Economic Supports

6/5/2022 Chief Programs Officer

Tri County CAP, Inc.

Tri County Transit

31 Pleasant St.

Berlin NH 03570

5/2017 – 6/30/2020

Director of Transportation

Responsibilities include;

Overseeing the operations and administrative functions of a social service transportation program serving Coos, Northern Grafton and Carroll Counties.

Tri-County CAP, Inc.

Tri County Transit

31 Pleasant St.

Berlin NH 03570

7/2004-5/2017

Operations Manager

Responsibilities include;

*Running the daily operations of a public transit and para transit service.

*Facility Management.

*Gathering statistics

*Quarterly reporting to NHDOT and BEAS.

*Preparing quarterly invoices to BEAS and NHDOT

*Weekly employee scheduling, staff management.

*Creating procedure manuals

*Grant writing

*Budget preparation

*Writing Warrant Articles

*Drug & Alcohol Testing

*Emergency Preparedness

Mountain Village Construction

P.O. Box 96

Milan, N.H. 03588

5/1995 - 1/2004

Accounts Manager/Office Manager

Responsibilities included;

*Customer service.

*Accounting using Quick Books Pro.

- *Preparing payroll and Tax Payments.
- *Preparing Customer Statements and Invoices.
- *Accounts Receivable and Accounts Payable.
- *Creating and running Profit and Loss Reports.
- *Data Entry.
- *Phone communications and general secretarial duties.

Milan Parks and Recreation Dept.

P.O. Box 300

Milan, N.H. 03588

6/1997 - 3/2002

Parks and Recreation Director

Responsibilities included;

- *Directed and implemented sports and recreational programs for youth and adults for the Towns of Milan, West Milan, and Dummer.
- *Development of new programs and year round activities.
- *Producing yearly budgets.
- *Equipment and materials purchasing.
- *Organizing and supervising a large Volunteer staff.
- *Working with the public to create new programs.
- *Coordinating with the Milan Village School on athletic and after school programs.
- *Applying for Federal and State Grants.

Education:

- Graduate Gorham High School
Gorham NH
- Granite State College
Emergency Management
- Southern New Hampshire University
Bachelor of Business Administration

NHDOT Courses

Fundamentals of Successful Project Management, MTAP/RTAP Financial Management Course
Basics of Facilities Management Seminar (Facility Maintenance Plan), Transit Security Workshop
FTA Drug & Alcohol Workshop, Emergency Planning and Disaster Management, NH Conference on Statewide
Emergency Preparedness, Procurement for Small and Medium Transit Systems.

Certified Training and Safety Reviewer
Community Transportation Association of America
June 2009

Certified Safety and Security Officer
Community Transportation Association of America
10/2010

Tri State Transit Conference
9/2007, 10/2008, 10/2010, 9/2011, 9/2013, 9/2014, 9/2016, 9/2017

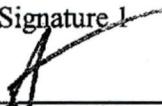
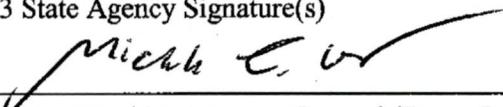
Grant Writing Workshop
New Hampshire Community Technical College
Berlin NH 10/2005

GRANT AGREEMENT

The State of New Hampshire and the Grantee hereby
Mutually agree as follows:

GENERAL PROVISIONS

1. Identification and Definitions.

1.1. State Agency Name NH Department of Transportation		1.2. State Agency Address PO Box 483 & Hazen Dr. Concord, NH 03302-0483	
1.3. Grantee Name Advance Transit, Inc.		1.4. Grantee Address 120 Billings Farm Road, PO Box 1027 Wilder, VT 05088-1027	
1.5 Grantee Phone # 802-295-1824 x 201	1.6. Account Number 04-96-96-964010-2916-0 73-509074	1.7. Completion Date June 30, 2027	1.8. Grant Limitation \$ 296,584
1.9. Grant Officer for State Agency Frederick Butler, Public Transportation Administrator, Bureau of Rail & Transit		1.10. State Agency Telephone Number 603-271-2565	
If Grantee is a municipality or village district: "By signing this form we certify that we have complied with any public meeting requirement for acceptance of this grant, including if applicable RSA 31:95-b."			
1.11. Grantee Signature 1 		1.12. Name & Title of Grantee Signor 1 Adams Carroll, Executive Director	
Grantee Signature 2 N/A		Name & Title of Grantee Signor 2 N/A	
Grantee Signature 3 N/A		Name & Title of Grantee Signor 3 N/A	
1.13 State Agency Signature(s) 		1.14. Name & Title of State Agency Signor(s) Michelle Winters, Deputy Commissioner	
1.15. Approval by Attorney General (Form, Substance and Execution) (if G & C approval required) By:  Assistant Attorney General, On: 10/26/25			
1.16. Approval by Governor and Council (if applicable) By: _____ On: _____			

2. SCOPE OF WORK: In exchange for grant funds provided by the State of New Hampshire, acting through the Agency identified in block 1.1 (hereinafter referred to as "the State"), the Grantee identified in block 1.3 (hereinafter referred to as "the Grantee"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT B (the scope of work being hereinafter referred to as "the Project").

3. **AREA COVERED.** Except as otherwise specifically provided for herein, the Grantee shall perform the Project in, and with respect to, the State of New Hampshire.
 4. **EFFECTIVE DATE; COMPLETION OF PROJECT.**
 - 4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire if required (block 1.16), or upon signature by the State Agency as shown in block 1.14 ("the Effective Date").
 - 4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.7 (hereinafter referred to as "the Completion Date").
 5. **GRANT AMOUNT; LIMITATION ON AMOUNT; VOUCHERS; PAYMENT.**
 - 5.1. The Grant Amount is identified and more particularly described in EXHIBIT C, attached hereto.
 - 5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT C.
 - 5.3. In accordance with the provisions set forth in EXHIBIT C, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.
 - 5.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.
 - 5.5. Notwithstanding anything 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 Grant limitation set forth in block 1.8 of these general provisions.
 6. **COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS.** In connection with the performance of the Project, the Grantee shall comply with all statutes, laws regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Grantee, including the acquisition of any and all necessary permits and RSA 31-95-b.
 7. **RECORDS and ACCOUNTS.**
 - 7.1. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency, the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.
 - 7.2. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency pursuant to subparagraph 7.1, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in block 1.3 of these provisions
 8. **PERSONNEL.**
 - 8.1. The Grantee shall, at its own expense, provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.
 - 8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.
 - 8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.
 9. **DATA; RETENTION OF DATA; ACCESS.**
 - 9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations,
- 9.2. computer programs, computer printouts, notes, letters, memoranda, paper, an documents, all whether finished or unfinished.
 - 9.3. Between the Effective Date and the Completion Date the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.
 - 9.4. No data shall be subject to copyright in the United States or any other country, or anyone other than the State.
 - 9.5. On and after the Effective Date 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, whichever shall first occur.
 10. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.
 11. **CONDITIONAL NATURE OR AGREEMENT.** Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriate funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.
 12. **EVENT OF DEFAULT; REMEDIES.**
 - 11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):
 - 11.1.1 Failure to perform the Project satisfactorily or on schedule; or
 - 11.1.2 Failure to submit any report required hereunder; or
 - 11.1.3 Failure to maintain, or permit access to, the records required hereunder; or
 - 11.1.4 Failure to perform any of the other covenants and conditions of this Agreement.
 - 11.2. Upon the occurrence of any Event of Default, the State may take any one, or more or all, of the following actions:
 - 11.2.1 Give the Grantee a written notice specifying the Event of Default and requiring 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 Grantee notice of termination; and
 - 11.2.2 Give the Grantee 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 Grant Amount which would otherwise accrue to the Grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and
 - 11.2.3 Set off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and
 - 11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity, or both.
 13. **TERMINATION.**
 - 12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, no later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.
 - 12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligations hereunder.
 - 12.3. Notwithstanding anything in this Agreement to the contrary, either the State or the Grantee, except where notice of default has been given to the Grantee hereunder, the Grantee may terminate this Agreement without cause upon thirty (30) days written notice.
 13. **CONFLICT OF INTEREST.** No officer, member of employee of the Grantee and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or

- approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.
- GRANTEE'S RELATION TO THE STATE.** In the performance of this Agreement the Grantee, its employees, and any subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.
15. **ASSIGNMENT AND SUBCONTRACTS.** The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Grantee other than as set forth in Exhibit B without the prior written consent of the State.
16. **INDEMNIFICATION.** The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or subcontractor, or subgrantee or other agent of the Grantee. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.
17. **INSURANCE.**
- 17.1 The Grantee shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:
- 17.1.1 Statutory workers' compensation and employees liability insurance for all employees engaged in the performance of the Project, and
- 17.1.2 General liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury or death any one incident, and \$500,000 for property damage in any one incident; and
- 17.2. The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Grantee shall furnish to the State, certificates of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy.
18. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure of waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Grantee.
19. **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 first above given.
20. **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 Council of the State of New Hampshire, if required or by the signing State Agency.
21. **CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intend of the parties hereto.
22. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.
23. **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 relating hereto.
24. **SPECIAL PROVISIONS.** The additional or modifying provisions set forth in Exhibit A hereto are incorporated as part of this agreement.

EXHIBITS TO AGREEMENT

EXHIBIT A Special Provisions

EXHIBIT B Scope of Services

EXHIBIT C Budget

Certificate of Good Standing

Certificate of Corporate Vote

Certificate of Insurance

Social Service Documents to Include:

501 (c)

Financial Report

Board of Directors

Key Personnel and Salaries

Resumes

EXHIBIT A
SPECIAL PROVISIONS

There are no modifications, deletions, or additions to the General Provisions in Form G-1.

EXHIBIT B
SCOPE OF SERVICES

B.1 Advance Transit Inc., (hereinafter the "Grantee") shall follow the terms and conditions applicable to State Operating Match funds, put forth through the New Hampshire Department of Transportation, 7 Hazen Drive, Concord, NH 03302-0483 (hereinafter referred to as the "State"), as follows:

1.1 State Operating Match funds shall be used to provide a portion of the non-federal funds required to match Federal Transit Administration (FTA) funds for the operation of public transportation services provided by the Grantee, which are further detailed on the Grantee's website.

1.2 State Operating Match funds will be provided by the State as shown in Exhibit C; Budget.

**EXHIBIT C
BUDGET**

C.1 The Grant Limitation, as defined in G-1, Section 1.8 of the Agreement, are respective of State Operating Match funds and is granted as follows:

State Operating Match	FY 2026	FY 2027
Advance Transit Inc.	\$148,292	\$148,292
Total Two-Year State Operating Match	\$296,584	

- 1.1 Funds are contingent upon State appropriations for each year of the biennium.
- C.2 Reimbursement of the State Operating Match should be requested through invoices submitted to the State, no more than once a month, within the year of appropriation.
 - 2.1 The final invoice for each year of appropriation shall be submitted to the State no later than June 10th.
- C.3 The Grantee's submitted invoices shall indicate the month(s) for which the State Operating Match is being applied and the amount of Federal Transit Administration (FTA) funds the State Operating Match is leveraging, and the FTA grant program from which the Grantee will draw down the FTA funds.
 - 3.1 The Grantee shall use the Excel invoice template provided by the State for each reimbursement request.

State of New Hampshire

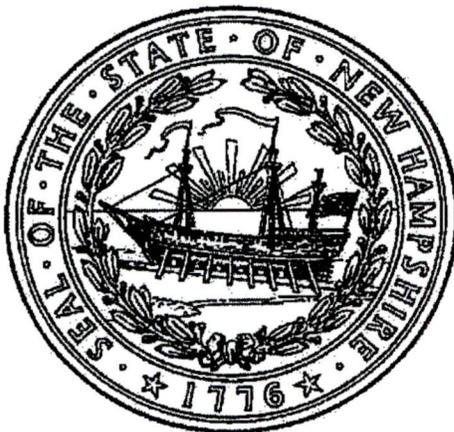
Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that ADVANCE TRANSIT, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on January 12, 1984. 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: **52688**

Certificate Number: **0007147026**



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 2nd day of April A.D. 2025.

A handwritten signature in black ink, appearing to read "David M. Scanlan", is written over a faint circular outline.

David M. Scanlan
Secretary of State



ADVANCE TRANSIT

P.O. Box 1027, Wilder, VT 05088 • 802-295-1824 • advancetransit.com

Certificate of Authority

I, **John Haffner**, hereby certify that I am the duly elected Secretary of Advance Transit, Incorporated. I hereby certify that the following is a true copy of the current Bylaws of the Corporation and that the Bylaws authorize the Executive Director to bind the Corporation for contractual obligations.

I further certify that Adams Carroll currently holds the position of Executive Director and is thereby authorized to bind the Corporation for contractual obligations.

I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person listed above currently occupies the position indicated and that they have the full authority to bind the corporation. This authority shall remain valid for thirty (30) days from the date of this certificate.

DATED: 08/07/2025

ATTEST: John Haffner, Secretary
(Name & Title)

BYLAWS OF
ADVANCE TRANSIT, INC.

Adopted June 19, 2015

Revised June 21, 2018

Revised May 16, 2019

ARTICLE I

Name, Purpose and Offices

Section 1. **Name and Type.** The name of this corporation shall be Advance Transit, Incorporated, and may hereinafter be referred to as the Corporation, "AT" or "Advance Transit". The principal office of the Corporation shall be in Wilder, Vermont, or such other location as the Board of Directors may determine from time to time. The Corporation's business shall be conducted in New Hampshire and Vermont.

Section 2. **Form and Purpose.** The form of the corporation shall be a voluntary, not-for-profit corporation, incorporated under the laws of the State of New Hampshire (R.S.A. 292), and registered to do business in the State of Vermont. The purpose of the Corporation shall be to provide a comprehensive transportation network for the several towns of the Upper Valley of New Hampshire and Vermont.

Section 3. **Limitations.** The Corporation is organized and shall be operated exclusively for charitable, religious, educational, or scientific purposes, including for such purposes, the making of distributions to organizations under Section 501 (c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future Internal Revenue law). No part of the net earnings of the Corporation shall be to the benefit of or be distributed to its Directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above. No substantial part of the activities of the Corporation shall be for the carrying out of propaganda or otherwise attempting to influence legislation, and AT shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

ARTICLE II

Members

Membership in the Corporation having been abolished effective July 1, 2015, the Corporation shall have no Members.

ARTICLE III

Board of Directors

Section 1. **General Powers.** All corporate powers of the Corporation shall be exercised by or under the authority of, and the affairs of the Corporation shall be managed under the direction of, the Board of Directors.

Section 2. **Number, Tenure, Qualification, and Manner of Election of Directors.**

A. The number of Directors (members of the Board) shall be not more than nineteen (19) nor less than nine (9), chosen as provided in III.2.B., C., and F. The Board shall have at least five (5) voting members who are not of the same immediate family or related by blood or marriage.

B. Up to nine (9) "Municipal" Directors shall be elected by the Directors upon nomination of the Executive Committee. Municipal Directors shall be recommended for nomination by those Municipalities providing funding to, and served by, the Corporation.

C. For each Municipal Director serving at any time, the Board shall have one (1) At-Large Director, elected by the Board upon nomination by the Executive Committee with due regard for assembling on the Board a diversity of talents and backgrounds.

D. Unless otherwise determined by the Board, a Director shall serve for the longer of: a) three (3) years, or b) until the election and qualification of his or her successor.

E. A Director shall be eligible to serve no more than three (3) consecutive three-year terms (a partial term shall not be counted for purposes of this provision). A Director

who has served three consecutive 3-year terms shall be eligible for re-election after having been off the Board for at least one (1) year. The Board terms shall be staggered as much as possible so that approximately one-third (1/3) of the directors shall be elected annually. This rule shall take effect from and after the effective date of these Bylaws. No term of a Director that commenced prior to the effective date of these Bylaws shall be counted against the 3-term limit for that Director.

F. In addition to Municipal and At-Large Directors, the Executive Director of AT shall serve as a Director Ex Officio, but shall not be entitled to vote.

Section 3. **Annual Meeting.** The Annual Meeting of the Board shall be held in June or on such a date and at such a time and place as the Board of Directors shall determine. The business of the annual meeting may include, but not be limited to, the election of Directors, the election of officers, and the presentation of reports.

Section 4. **Regular Meetings.** Regular meetings of the Board shall be held at least two (2) times a year, in addition to the annual meeting, at a place and time to be decided upon by the Board during the Annual meeting. The Board may provide, by resolution, for a different time and place for regular meetings without further notice than by such resolution. Attendance at regular board meetings is imperative to conduct business related to the oversight of the Corporation. Any Director who misses two (2) regularly scheduled board meetings including annual meeting, over the course of one (1) year may be subject to removal following the process outlined in **Section 11, Removal of Director.** By prior arrangement with the President, a Director may participate in a regular meeting by telephone or other electronic means allowing all participants to hear each other.

Section 5. **Special Meetings.** Special meetings of the Board may be called by or at the request of the President or any two (2) Directors, and shall be held at such place and time as the President or Directors may determine. The person or persons calling a Special Meeting may call for the meeting to be conducted by telephone. By prior arrangement with the President, a Director may participate by telephone in a special meeting that is to be conducted in person, provided the Director so arranges with the person or persons calling the meeting.

Section 6. **Notice.** Notice of any meeting, regular or special, of the Board shall be given at least two (2) days previously thereto by telephone, email, or delivered personally to each director at his or her address as shown by the records of the Corporation.

Section 7. **Quorum.** A majority of the then-sitting Directors entitled to vote shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a majority of the Directors is present at any meeting, a majority of the directors present may adjourn the meeting without further notice

Section 8. **Board Decisions**. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law or by these Bylaws.

Section 9. **Action Without a Meeting**. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting if the action is taken by unanimous consent of all Directors evidenced by one or more written consents describing the action taken, signed by each Director, and included with the minutes or filed with the records of the Corporation. Action taken by consents is effective when the last Director signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a meeting vote and may be described as such in any document. Consents may be transmitted electronically by email or other means, provided they bear sufficient evidence of the Director's signature.

Section 10. **Proxies**. At any regular, annual or special meeting of the Board, a Director entitled to vote may vote by telephone, or by proxy executed in writing, including email, by that director. The proxy must be limited to a specific issue, not general, and must be signed and delivered to the Secretary one (1) day before the meeting. The proxy shall not count toward a quorum.

Section 11. **Removal of Director**. Any Director may be removed from the Board by an affirmative vote of two-thirds (2/3) of all of its members entitled to vote. Such action may be taken at any regular meeting or any special meeting at which due notice of the proposed removal shall have been given to the Board members together with or as part of the notice of the meeting.

Such removal may be accomplished with or without cause, but the Director involved shall be given an opportunity to be present and to be heard at the meeting at which his or her removal is considered.

The removal of a Director may be initiated at a regular meeting of the Board members by a motion made at the meeting, at a special meeting, or by petition signed and submitted to the Secretary by not less than twenty-five percent (25%) of the voting Directors. More than one Director may be considered for removal under a single motion or by a single petition for removal, but vote on the motion of petition for removal shall be separate as to each Director.

Section 12. **Vacancies and New Directorships**. The Board may elect Directors to fill any vacancies on the Board, by majority vote of the Directors present and voting at a duly called meeting of the Board at which a quorum is present. The Board shall set a term of office for each Director at the time of his/her election, which may in no event exceed three (3) years.

Section 13. **Compensation**. No member of the Board (with the exception of the Ex Officio member) shall receive a salary or other compensation for his/her services

except for allowable expenses incurred in connection with official duties of a Director as defined in Board policy.

Section 14. **Responsibilities.** Each Director is expected to support the Corporation as follows:

1. be fully acquainted with AT's purpose, objectives, programs, and finances;
2. comply with all AT policies including the AT conflict of interest policy;
3. serve on at least one (1) standing committee; and
4. fulfill those additional duties and requirements as set out in these Bylaws.

ARTICLE IV

Officers

Section 1. **Officers.** The Officers of the Board shall be a President, Vice President, a Secretary, a Treasurer, Assistant Secretary, and such other Officers as may be elected or appointed by the Board, all of whom shall be Directors at all times they serve as officers except for the Assistant Secretary who may be the Executive Director.

Section 2. **Election and Term of Office.** The Officers of the Board are nominated by the Executive Committee and elected by an affirmative vote of a majority of members of the Board entitled to vote, and shall hold office for the longer of two (2) years or until their successors are elected or appointed and qualified. An officer may succeed himself/herself in the same office for two (2) additional terms. After being out of that office for at least one (1) term, a person may again be elected to that office. The same person may simultaneously occupy more than one office except for the President, who shall not hold either the office of Treasurer or Secretary.

Section 3. **Removal.** Any Officer elected or appointed by the Board may be removed by the Board by affirmative vote of two-thirds (2/3) of all of Directors entitled to vote whenever in its judgment the best interests of AT would be served thereby. The Officer involved shall be given an opportunity to be present and heard at the meeting at which his or her removal is considered.

Section 4. **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board for the unexpired portion of the term.

Section 5. **Powers and Duties.**

A. **President.** The President of the Board shall be the Corporation's principal executive officer and shall have the following specific powers and duties:

1. To preside at all meetings of the Board and the Executive committees.
2. To appoint all committee chairs, except as otherwise provided in these Bylaws.
3. To see that all orders and resolutions of the Board are carried into effect.
4. To meet regularly with the Executive Director
5. From time to time to report to the Board of Directors all matters within his or her knowledge that in the best interest of AT should be brought to their attention.
6. In addition to the foregoing, the President shall have such other powers, duties and authority as may be set forth elsewhere in these Bylaws or as may be prescribed by the Board from time to time.

B. **Vice President.** The Board Vice President shall exercise the powers and perform the functions that from time to time are assigned by the President or the Board. The Vice President shall have the powers and shall exercise the duties of the President assigned to him or her by the Board whenever the President, by reason of illness or other disability or absence, is unable to act, and at other times when specifically directed by the President or the Board.

C. **Secretary.** The Board Secretary shall be the custodian of and shall maintain the AT books and records and shall be the recorder of all AT formal actions and transactions. The Secretary shall have the following specific powers and duties:

1. To record or supervise the proper recording of the minutes and transactions of all meetings of the Directors, and to maintain separate books at the principal office of AT, or such other place as the Board may order of all such meetings in the form and manner required by law.
2. To keep at the principal office, open to inspection by Directors at all reasonable times, the original or a certified copy of the Bylaws of the Corporation as amended or otherwise altered.
4. To attend to the giving and serving of all notices of the Corporation required by law or these Bylaws.

5. To attend to such correspondence and make such reports as may be assigned to him/her.

6. In addition to the foregoing, the Secretary shall have such other powers, duties, and authority as may be set forth elsewhere in these Bylaws and as may be prescribed from time to time by the President or the Board.

D. **Assistant Secretary**. The Assistant Secretary shall assist the Secretary and other Officers as requested.

E. **Treasurer**. The Treasurer shall oversee the financial affairs of the corporation, and shall perform all other duties incidental to the office or assigned by the Chair, by these Bylaws or by Board resolution. The Treasurer will serve as the Chair of the Finance Committee, and have the following specific powers and duties:

1. To keep and maintain, open to inspection by the President and any Director, at all reasonable times, adequate and correct accounts of the properties and business transactions of AT, which shall include all matters required by law and which shall be in form as required by law.

2. To ensure that the Corporation adopts, implements, and follows appropriate financial controls.

3. To render to the President and Secretary or to the Board whenever they may require it, an account of all transactions as Treasurer and a financial statement in form satisfactory to them, showing the condition of AT.

4. Working with AT staff, to prepare and present to the Board an annual budget.

5. In addition to the foregoing, the Treasurer shall have such other powers, duties and authority as may be set forth elsewhere in these Bylaws, and as may be prescribed from time to time by the President or the Board.

ARTICLE V

Executive Director

Section 1. The Board shall appoint an Executive Director (ED) who shall be responsible for the day-to-day operation of the corporation. The ED shall be an ex-officio member without vote of the Board and all Board committees and shall act as the duly

authorized representative of the Board in all matters except those which the Board has formally designated some other person or group to act. The duties of the ED shall include, but not be limited to, those outlined in the current ED job description.

ARTICLE VI

Committees and Policies

Section 1. Committees. The Board shall have the following Standing Committees. In addition, the Board, at its discretion, may constitute and appoint additional committees for such purpose and duration as the Board shall determine. Except for the Executive Committee, Committees may have, in addition to a majority of Director members, such other members as the Board shall designate, who shall serve for such terms as the Board shall specify. All committees shall have a Board member as chair. Committee members shall be appointed by the committee chair in collaboration with the Board President.

A. **Executive Committee.** The President, Vice President, Secretary, Treasurer, the Chairs of Standing Committees, immediate past President, and Executive Director shall constitute an Executive Committee, which shall be authorized to exercise the powers of the full Board between regular meetings of the Board when it is impractical, in the view of the President (or in the absence or unavailability of the President, a Vice-President), to call a special meeting of the Board. The immediate past President and Executive Director positions on the Executive Committee shall be non-voting. Any action taken by the Executive Committee shall be presented to the Board at its next regular or special meeting and shall be included in the minutes or other records of Board actions. The Executive Committee shall also function as the Board Compensation Committee and Governance Committee, with responsibility for nominating board members and board officers, for maintaining the Corporate Bylaws and for evaluating and setting the compensation and benefits for the Executive Director.

B. **Finance Committee.** The Finance Committee, working with AT's staff, is responsible for development of AT's budget, and monitoring and adjustment of the budget during each year and from year to year. The Finance Committee interviews prospective audit firms and makes recommendations to the Board.

C. **Personnel Committee.** The Personnel Committee is responsible for policies and procedures related to employees, employee benefits and staff levels. The Committee makes recommendations to the Board.

D. Program Planning and Evaluation Committee. The Program Planning and Evaluation Committee establishes the strategic direction of the organization including the drafting and adoption of Advance Transit's Five-Year Transit Development Plan and its associated service designs. The Committee makes recommendations to the Board.

E. Public Relations and Marketing Committee. The Public Relations and Marketing Committee assists AT in meeting its goals and priorities through effective strategic communication, marketing and philanthropic initiatives. The Committee makes recommendations to the Board.

Section 2. **Policies.** The Board, in its discretion, may implement and adopt policies to further define the goals and operations of the Corporation including policies related to charitable giving, financial management, conflicts of interest, employee conduct and other policies related to matters pertinent to AT. Policies may be implemented, revoked or amended by the Board at any time in its sole discretion.

ARTICLE VII

Certificates of Shares

The Corporation has no shares and shall not issue share certificates.

ARTICLE VIII

Contracts, Checks, Deposits, Gifts and Expenditures

Section 1. **Contracts.** The Board may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of AT, and such authority may be general or may be confined to specific instances.

Section 2. **Checks, Drafts or Orders.** All checks, drafts or orders for the payment of money, notes or other evidence of indebtedness issued in the name of AT shall be signed by such officer or officers, agent or agents of AT and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such

determination by the Board, such instruments shall be signed by the Executive Director and countersigned by the President of the Board or Treasurer.

Section 3. **Deposits**. All AT funds shall be deposited from time to time to the credit of AT, in such banks, trust companies, or other depositories as the Board may select.

Section 4. **Gifts**. The Board may accept on behalf of AT any contribution, gift, bequest, or devise.

Section 5. **Approval of Expenditures**. Any proposed expenditure of \$100,000 or more, not included in the approved capital and/or operating budget, requires an affirmative vote of two-thirds (2/3) of the members of the Board entitled to vote, the notice of which has specified the details regarding the proposed expenditure.

ARTICLE IX

Books and Records

AT shall keep: (i) correct and complete books and records of accounts; (ii) minutes of the proceedings of its Board and committees; and (iii) at its principal office, a record giving the names and addresses of the Directors entitled to vote. All books and records of AT are open to inspection by a Director or his/her agent or attorney upon reasonable written request to the Executive Director or Board President.

ARTICLE X

Fiscal Year

The fiscal year of AT shall be from July 1 through June 30.

ARTICLE XI

Amendment of Bylaws

These Bylaws may be altered, amended or repealed, and new Bylaws may be adopted by: (1) a majority of the directors of the Board present at any regular meeting or at a special meeting, if at least seven (7) days' written notice is given to all directors of intention to alter, repeal, or adopt new Bylaws at such meeting, or (2) an affirmative vote at any regular meeting of two-thirds (2/3) of all of the directors of all of the Board entitled to vote.

ARTICLE XII

Conflicts of Interest and Pecuniary Benefit Transactions

The Directors, officers, members of standing and ad hoc committees and employees of AT have a responsibility to avoid conflicts of interest and the appearance of such conflicts, and to transact the affairs of AT honestly and economically in accordance with applicable laws and regulations and in a manner which promotes the best interests of AT. The Board has adopted a written conflicts of interest policy, which is appended to these Bylaws as Attachment A.

ARTICLE XIII

Waiver of Notice

Whenever any notice is required to be given under the provisions of Chapter 292 of the New Hampshire Revised Statutes Annotated or these Bylaws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV

Dissolution

Upon the dissolution of the Corporation, the Board shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all the assets of the Corporation exclusively for the purposes of AT, in such manner or to such organization or organizations organized and operated exclusively for charitable, education, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law). Any such assets not so disposed of shall be disposed of by the Superior Court of the county in which the principal office of AT is then located, exclusively for such purposes or to such organization or organizations as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE XV

Indemnification of Officers and Directors

Each officer, Director of the Corporation and member of a Board standing or ad hoc committee now or hereafter serving as such shall be indemnified by the Corporation against any and all claims and liabilities to which he or she has or shall become, by reason of serving or having served as such officer, Director or committee member, or by reason of any action alleged to have been taken, omitted, or neglected by him or her as such officer, Director or committee member; and the Corporation shall reimburse each such person for all legal expenses reasonably incurred by him or her in connection with any such claim or liability; provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his or her own willful misconduct or gross negligence. The amount paid or reimbursed to any officer, Director or committee member by way of indemnification shall not exceed his or her actual, reasonable, and necessary expenses incurred in connection with the matter involved. The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any officer, Director of the Corporation or committee member may otherwise be entitled by law.

ATTACHMENT A

Policy on Conflict of Interest and Pecuniary Benefit Transactions

Conflict of Interest and Pecuniary Benefit Transactions.

A. **General.** It shall be against the policy of the Corporation to have conflicts of interest with its directors, officers, members of standing or ad hoc committees, staff or members of their immediate families. A conflict of interest exists when there is a potential that an individual may obtain a direct or indirect pecuniary benefit, or any other improper gain or advantage, as a result of activities conducted on behalf of AT, or when actions advance a person's interests or those of another rather than the interests of AT, or when actions are adverse to the best interest of AT.

There exists between Advance Transit and its Board, officers, members of standing and ad hoc committees, and management employees a fiduciary duty. The Board, officers, committee members, and management employees have the responsibility of administering the affairs of Advance Transit honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of Advance Transit. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with Advance Transit or knowledge gained from their position for their personal benefit. The interests of the organization must have the first priority in all decisions and actions.

B. **Annual Questionnaire.** Each Director, Board committee member, the Executive Director, and all employees of AT designated by the President, shall annually complete a questionnaire to provide information on their related entities and persons and business activities and those of their immediate families as defined by statute, and such questionnaire shall be reviewed by the President and Secretary and kept on file at the office of the Corporation.

C. **Pecuniary Benefit Transactions.** In the event of a pecuniary benefit transaction as defined by New Hampshire law in RSA 7:19-a, it shall be the policy of the corporation to follow the statute. In the event the corporation or any director becomes aware of any potential pecuniary benefit transaction as defined by law, the corporation shall follow the procedures prescribed by law and give notice of the transaction to the full board with notice of its next meeting. At the meeting, the board shall vote on whether the pecuniary benefit transaction is in the best interest of the corporation, after full explanation thereof and without the director being present and without any director who has had a pecuniary benefit transaction within the fiscal year being present. If two-thirds of the entire board shall vote that the pecuniary benefit transaction is in the best interest of the corporation, the transaction shall be allowed. Notice of any such pecuniary benefit transaction the value of which is \$5000 or more shall be published according to statute. Notice of all pecuniary benefit transactions shall be given to the Director of

Charitable Trusts of the State of New Hampshire annually, and individually for those transactions exceeding \$5000.

D. Disclosure of Conflicts of Interest.

1. Individuals covered by this policy have a duty to voluntarily disclose any potential conflict of interest prior to assuming their responsibilities or at the time the potential conflict arises. Further, those individuals have a duty to annually disclose potential or actual conflicts to the Board. Immediate family members are also included for disclosure purposes. Immediate family members are defined as: spouse, child, parent, sibling, and any person living in the same household as persons with responsibilities to transact the affairs of AT. Any possible conflict of interest on the part of any director, officer, Board committee member, employee or selected volunteer of AT shall be disclosed in writing to the Board and made a matter of record through the annual procedure set out in the conflicts of interest policy and also when the interest involves a specific issue or transaction before the Board.

2. The Board will comply with all the requirements of New Hampshire law with respect to conflicts of interest, including but not limited to:

(i) the requirement of a two-thirds (2/3) vote of disinterested directors when the financial benefit to the director or officer is \$500 or more in a fiscal year,

(ii) the advance notice requirements when the benefit exceeds \$5,000 in a fiscal year,

(iii) the limitations on participation by the affected director, officer, Board committee member, employee or selected volunteer of AT in the decision of the Board,

and

(iv) the requirement to create a record of the action in the minutes.

D. Role of the Executive Committee. The Executive Committee shall review the conflicts of interest policy at least annually and oversee the Conflict of Interest disclosure process assuring that individuals covered by this policy are informed of its disclosure requirements consistent with applicable laws. The Executive Committee shall annually conduct a comprehensive survey of the individuals covered by this policy and analyze other relevant information which may provide information that a potential or actual conflict of interest exists. The Executive Committee will then report the results of this process to the Board.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL LIABILITY ULTRA PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SUMMARY OF COVERAGE EXTENSIONS

Provision	Name Of Coverage Extension	Included or Limit of Insurance
A.	Miscellaneous Additional Insureds	Included
B.	Expected Or Intended Injury Or Damage	Included
C.	Knowledge Of Occurrence	Included
D.	Legal Liability – Damage To Premises Rented To You (Fire, Lightning, Explosion, Smoke, Or Leakage From Automatic Fire Protective Systems)	\$300,000
E.	Medical Payments	See Declarations
F.	Mobile Equipment Redefined	Included
G.	Newly Formed Or Acquired Organization, Partnership Or Limited Liability Company And Extended Period Of Coverage	Included
H.	Who Is An Insured – Amendment	Included
I.	Non-Owned Watercraft (Increased to maximum length of less than 51 feet)	Included
J.	Supplementary Payments – Increased Limits	
	1. Bail Bonds	\$ 3,000
	2. Loss Of Earnings	\$ 1,000
K.	Unintentional Omission Or Unintentional Error In Disclosure	Included
L.	Waiver Of Transfer Of Rights Of Recovery Against Others	Included
M.	Liberalization Clause	Included
N.	Incidental Medical Malpractice	Included

The above is a summary only. Please consult the specific provisions that follow for complete information on the extensions provided.

The provisions of the Commercial General Liability Coverage Part apply except as otherwise provided in this endorsement. This endorsement applies only if such Coverage Part is included in this policy.

A. MISCELLANEOUS ADDITIONAL INSURED

- 1. Section II – Who Is An Insured** is amended to include as an insured any person or organization (referred to as an additional insured below) described in Paragraphs **A.1.c.(1)** through **A.1.c.(9)** below when you and such person or organization have agreed

in writing in a contract or agreement that such person or organization be added as an additional insured on your policy, provided that:

- a.** The written contract or written agreement is:
 - (1)** Currently in effect or becoming effective during the term of this policy; and
 - (2)** Fully executed by you and the additional insured prior to the "bodily

injury", "property damage" or "personal and advertising injury".

- b. The insurance afforded by this provision does not apply to any person or organization included as an additional insured by a separate endorsement issued by us and made a part of this policy or coverage part.
- c. Only the following persons or organizations are additional insureds under this provision, with coverage for such additional insureds limited as provided herein:

(1) Persons or Organizations For Whom Operations Are Performed

- (a) Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured to your policy; and
- (b) Any other person or organization you are required to add as an additional insured under the contract or agreement described in paragraph (a) above.
- (c) Such person(s) or organization(s) is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:
 - (i) Your acts or omissions; or
 - (ii) The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured.

- (d) With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (i) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(1.1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(1.2) Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of, or the failure to render, any professional architectural, engineering or surveying services.

(ii) "Bodily injury" or "property damage" occurring after:

(1.1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

(1.2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

(2) Managers Or Lessors Of Premises

A manager or lessor of premises but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to

you and subject to the following additional exclusions:

This insurance does not apply to:

- (a) Any "occurrence" which takes place after you cease to be a tenant in that premises.
- (b) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

(3) Mortgagee, Assignee Or Receiver

A mortgagee, assignee, or receiver but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of a covered premises by you.

This insurance does not apply to structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

(4) Owners Or Other Interests From Whom Land Has Been Leased

An owner or other interest from whom land has been leased to you but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and subject to the following additional exclusions:

This insurance does not apply to:

- (a) Any "occurrence" which takes place after you cease to lease that land.
- (b) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

(5) Lessor Of Leased Equipment

Any person(s) or organization(s) from whom you lease equipment but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

A person's or organization's status as an additional insured under this endorsement ends when their written

contract or written agreement with you for such leased equipment ends.

This insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

(6) State, Municipality, Governmental Agency Or Subdivision Or Other Political Subdivision – Permits Or Authorizations Relating To Premises

Any state, municipality, governmental agency or subdivision or other political subdivision subject to the following additional provisions:

(a) This insurance applies only with respect to:

- (i) The following hazards for which the state, municipality, governmental agency or subdivision or other political subdivision has issued a permit or authorization in connection with premises you own, rent or control and to which this insurance applies:

(1.1) The existence, maintenance, repair, construction, erection or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners or decorations and similar exposures; or

(1.2) The construction, erection or removal of elevators; or

(1.3) The ownership, maintenance or use of any elevators covered by this insurance.

- (ii) Operations performed by you or on your behalf for which the state, municipality, governmental agency or subdivision or other political subdivision has issued a permit or authorization.

- (b) This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state, municipality, governmental agency or subdivision or other political subdivision.

(7) Controlling Interest

Any person(s) or organization(s) with a controlling interest in the Named Insured but only with respect to their liability arising out of:

- (a) Their financial control of you; or
- (b) Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction or demolition operations performed by or for such person(s) or organization(s).

(8) Co-Owner Of Insured Premises

A co-owner of a premises co-owned by you and covered under this insurance but only with respect to the co-owner's liability as co-owner of such premises.

(9) Vendors

- (a) Any person(s) or organization(s) (referred to as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business.

The insurance afforded the vendor does not apply to:

- (i) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a written contract or written agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the written contract or written agreement;
- (ii) Any express warranty unauthorized by you;

- (iii) Any physical or chemical change in the product made intentionally by the vendor;

- (iv) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (v) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (vi) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (vii) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (viii) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (1.1) The exceptions contained in Sub-paragraphs (iv) or (vi); or

- (1.2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make

in the usual course of business, in connection with the distribution or sale of the products.

- (b) This insurance does not apply to any insured person or organization, from whom you have acquired products, or any ingredient, part or container, entering into, accompanying or containing such products.

2. With respect to coverage provided by this Provision **A. Miscellaneous Additional Insureds**, the following additional provisions apply:

a. Any insurance provided to an additional insured designated under Paragraphs **A.1.c.(1)** through **A.1.c.(8)** above does not apply:

- (1) To "bodily injury" or "property damage" included within the "products-completed operations hazard"; or
- (2) To "bodily injury", "property damage" or "personal and advertising injury" arising out of the sole negligence of such additional insured.

b. The insurance afforded to such additional insured only applies to the extent permitted by law.

c. The insurance afforded to such additional insured will not be broader than that which you are required to provide by the written contract or written agreement.

3. With respect to the insurance afforded to the additional insureds within this Provision **A. Miscellaneous Additional Insureds**, the following is added to **Section III – Limits Of Insurance**:

The most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the written contract or written agreement; or
- b. Available under the applicable Limits Of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits Of Insurance shown in the Declarations.

B. EXPECTED OR INTENDED INJURY OR DAMAGE

Exclusion **2.a. Expected Or Intended Injury of Section I – Coverage A – Bodily Injury And Property Damage Liability** is deleted and replaced by the following:

a. Expected Or Intended Injury Or Damage

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

C. KNOWLEDGE OF OCCURRENCE

Paragraph **2.a. Duties In The Event Of Occurrence, Offense, Claim Or Suit of Section IV – Commercial General Liability Conditions** is deleted and replaced by the following:

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim only when the "occurrence" or offense is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) A manager, if you are a limited liability company; or
- (4) An "executive officer" or the "employee" designated by you to give such notice, if you are an organization other than a partnership or a limited liability company.

To the extent possible, notice should include:

- (i) How, when and where the "occurrence" or offense took place;
- (ii) The names and addresses of any injured persons and witnesses; and
- (iii) The nature and location of any injury or damage arising out of the "occurrence" or offense.

D. LEGAL LIABILITY – DAMAGE TO PREMISES RENTED TO YOU (Fire, Lightning, Explosion, Smoke, Or Leakage From Automatic Fire Protective Systems)

If damage to premises rented to you is not otherwise excluded from this policy or coverage part, then the following provisions apply:

- 1. Under **Section I – Coverage A – Bodily Injury And Property Damage Liability**, the last paragraph (after the exclusions) is deleted and replaced by the following:

Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, "smoke", or leakage from automatic fire protective systems to premises while rented to you or temporarily occupied by you with the permission of the owner. A separate limit of insurance applies to this coverage as described in **Section III – Limits Of Insurance.**

2. The paragraph immediately after Subparagraph **j.(6)** of Paragraph **2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is deleted and replaced by the following:

Paragraphs **(1), (3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire, lightning, explosion, "smoke", or leakage from automatic fire protective systems) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in **Section III – Limits Of Insurance.**

3. Paragraph **6.** of **Section III – Limits Of Insurance** is deleted and replaced by the following:

6. Subject to Paragraph **5.** above, the greater of:

- a. \$300,000; or
- b. The Damage To Premises Rented To You Limit shown in the Declarations,

is the most we will pay under **Coverage A** for damages because of "property damage" to premises while rented to you, or in the case of damage by fire, lightning, explosion, "smoke", or leakage from automatic fire protective systems, while rented to you or temporarily occupied by you with permission of the owner.

This limit will apply to all damage proximately caused by the same event, whether such damage results from fire, lightning, explosion, "smoke", leakage from automatic fire protective systems, or other covered causes of loss or any combination thereof.

4. Subparagraph **b.(1)(a)(ii)** of Paragraph **4. Other Insurance of Section IV – Commercial General Liability Conditions** is deleted and replaced by the following:

- (ii) That is fire, lightning, explosion, "smoke" or leakage from automatic fire protective systems insurance for premises rented to

you or temporarily occupied by you with permission of the owner;

5. Subparagraph **a.** of Definition **9.** "Insured contract" of **Section V – Definitions** is deleted and replaced by the following:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, "smoke" or leakage from automatic fire protective systems to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".

6. As used in this Provision **D. Legal Liability – Damage To Premises Rented To You:**

"Smoke" does not include smoke from agricultural smudging, industrial operations or "hostile fire".

E. MEDICAL PAYMENTS

The Medical Expense Limit is changed, subject to the terms of **Section III – Limits Of Insurance**, to the Medical Expense Limit shown in the Declarations.

F. MOBILE EQUIPMENT REDEFINED

Subparagraph **f.(1)** of Definition **12.** "Mobile equipment" of **Section V – Definitions** is deleted and replaced by the following:

- (1) Equipment with a gross vehicle weight of 1,000 pounds or more and designed primarily for:

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;

G. NEWLY FORMED OR ACQUIRED ORGANIZATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY AND EXTENDED PERIOD OF COVERAGE

Paragraph **3.** of **Section II – Who Is An Insured** is deleted and replaced by the following:

3. Any organization you newly acquire or form, other than a joint venture, and over which you maintain ownership or:

- a. Majority interest of more than 50% if you are a corporation;
- b. Majority interest of more than 50% as a general partner of a newly acquired or formed partnership; and/or

- c. Majority interest of more than 50% as an owner of a newly acquired or formed limited liability company;

will qualify as a Named Insured if there is no other similar insurance available to that organization. However, for these organizations:

- (i) Coverage under this provision is afforded only until the next anniversary date of this policy's effective date after you acquire or form the organization, partnership or limited liability company, or the end of the policy period, whichever is earlier;
- (ii) **Section I – Coverage A – Bodily Injury And Property Damage Liability** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization, partnership or limited liability company;
- (iii) **Section I – Coverage B – Personal And Advertising Injury Liability** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization, partnership or limited liability company;
- (iv) Coverage applies only when operations of the newly acquired organization, partnership or limited liability company are the same or similar to the operations of insureds already covered under this insurance;
- (v) Coverage only applies for those limited liability companies who have established a date of formation as recorded within the filed state articles of organization, certificates of formation or certificates of organization; and
- (vi) Coverage only applies for those partnerships who have established a date of formation as recorded within a written partnership agreement or partnership certificate.

H. WHO IS AN INSURED – AMENDMENT

The last paragraph of **Section II – Who Is An Insured** is deleted and replaced by the following:

No person or organization is an insured with respect to the conduct of any:

- a. Current partnership or limited liability company, unless otherwise provided for under Paragraph 3. of **Section II – Who Is An Insured**;
- b. Current joint venture; or

- c. Past partnership, joint venture or limited liability company;

that is not shown as a Named Insured in the Declarations.

I. NON-OWNED WATERCRAFT

Subparagraph (2) of **Exclusion 2.g. Aircraft, Auto Or Watercraft** of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is deleted and replaced by the following:

- (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons or property for a charge.

J. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS

Section I – Supplementary Payments – Coverages A And B is changed as follows:

- 1. The limit shown in Paragraph 1.b. for the cost of bail bonds is changed from \$250 to \$3,000; and
- 2. The limit shown in Paragraph 1.d. for loss of earnings because of time off from work is changed from \$250 a day to \$1,000 a day.

K. UNINTENTIONAL OMISSION OR UNINTENTIONAL ERROR IN DISCLOSURE

The following provision is added to Paragraph 6. **Representations** of **Section IV – Commercial General Liability Conditions**:

However, the unintentional omission of, or unintentional error in, any information given or provided by you shall not prejudice your rights under this insurance.

This provision does not affect our right to collect additional premium or to exercise our right of cancellation or non-renewal.

L. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Commercial General Liability Conditions**:

We waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" and included in the "products-completed operations hazard" when you have agreed in a written contract or written agreement that any right of recovery is waived for such person or organization. This waiver applies only to the

person(s) or organization(s) agreed to in the written contract or written agreement and is subject to those provisions.

This waiver does not apply unless the written contract or written agreement has been executed prior to the "bodily injury" or "property damage".

However, if any person or organization is separately scheduled on a separate waiver of transfer of rights of recovery which is attached to this policy, then this waiver does not apply.

M. LIBERALIZATION CLAUSE

The following is added to **Section IV – Commercial General Liability Conditions:**

If we adopt a mandatory attachment form change which broadens coverage under this edition of the Commercial General Liability CG0001 for no additional charge, and those changes are intended to apply to all insureds under this edition of CG0001, that change will automatically apply to your insurance as of the date we implement the change in your state. This liberalization clause does not apply to changes implemented through introduction of a subsequent edition of the Commercial General Liability form CG0001.

N. INCIDENTAL MEDICAL MALPRACTICE

1. Paragraph **2.a.(1)(d)** of **Section II – Who Is An Insured** does not apply to a physician, nurse practitioner, physician assistant, nurse, emergency medical technician or paramedic employed by you if you are not in the business or occupation of providing medical, paramedical, surgical, dental, x-ray or nursing services.
2. This provision is excess over any other valid and collectible insurance whether such insurance is primary, excess, contingent or on any other basis. Any payments by us will follow Paragraph **4.b.** of **Section IV – Commercial General Liability Conditions.**

NONPROFIT COVER SHEET

A. Entity Name: Advance Transit

B. Entity's Contact Information:

For Records Requests (e.g., resumes of key personnel; audited financial statements):

Name / Phone / Email: Adams Carroll, 802-295-1824, acarroll@advancetransit.com

Person responsible for Accuracy and Completeness of information provided:

Name: Adams Carroll Title: Executive Director

Signature: _____

C. List Board of Directors and Affiliations

<u>Name (Identify any additional role(s) in Parentheses)</u> E.g., John Doe (President)	<u>Affiliations</u>
Rebecca Owens (President)	City of Lebanon, NH
Mark Beliveau (Vice President)	Town of Hanover, NH; Gallagher, Flynn & Company; Ledyard Bank
Georgios Katsaros (Treasurer)	Town of Norwich, VT; DBRS Morningstar
John Haffner (Secretary)	Town of Hartford, VT; Upper Valley Lake Sunapee Regional Planning Commission
Ana Azuela (Member)	
Mark Bradley (Member)	White River Council on Aging; Vermont Association of Senior Centers; Coolidge Apartments Corporation; Public Health Council of the Upper Valley; Quechee & Wilder Libraries
Lori Fortini (Member)	Dartmouth Health Aging Resource Center
Sara Glennon (Member)	The Haven
Robert Houseman (Member)	Town of Hanover, NH
Tanya Husick (Member)	Dartmouth College
Kathie Nolet (Member)	Mascoma Bank
Mike Scheller (Member)	Hypertherm
Rita Seto (Member)	Two Rivers-Ottauquechee Regional Commission
Jim Taylor (Member)	Town of Enfield, NH
Devin Wilkie (Member)	City of Lebanon, NH

D. List Key Personnel (Resumes must be available upon request to the person(s) listed in section B or may be attached):

<u>Name</u>	<u>Role</u>	<u>Annual Salary</u>	<u>Amount Paid From This Contract</u>
Adams Carroll	Executive Director	\$140,000	\$2,441.48

! !

DISCLOSURE OF LEGAL ACTIVITIES INVOLVING THE STATE OF NEW HAMPSHIRE OR ANOTHER GOVERNMENT ENTITY

E. Check one of the following:

- The entity is **not currently or has not been** party to any legal proceedings involving the State of New Hampshire (or any agency or subdivision thereof) or any other state/federal government entity before any adjudicative body in any jurisdiction **OR**
- The entity is or has been party to one or more legal proceedings as set forth above. Identify the jurisdiction, court or other adjudicative body, case number, and briefly describe the nature of the proceeding (Attached extra sheet if necessary).
-
-
-

CHARITABLE TRUSTS UNIT COMPLIANCE CERTIFICATION

F. Check one of the following:

- is registered and in good standing with the New Hampshire Department of Justice Charitable Trusts Unit (** see note below) **or** has submitted a complete application for registration to the Charitable Trusts Unit and is awaiting a registration determination **OR**
- is not required to register with the Charitable Trusts Unit because it is neither tax-exempt under section 501(c)(3) of the Internal Revenue Code nor engages in charitable solicitations in the State of New Hampshire **OR**
- is exempt from registration with the Charitable Trusts Unit because it is a federal or state government, agency, or subdivision or is a religious organization, an integrated auxiliary of a religious organization, or is a convention or association of churches.

** Note: Attached screen shot from the DOJ Registered Charities List found at:

<https://mm.nh.gov/files/uploads/doj/remote-docs/registered-charities.pdf>

FINANCIAL DISCLOSURES

G. Check one the following:

- The organization hired an outside firm to audit its financial statements or to prepare GAAP-compliant financial statements for its most recently completed fiscal year. If so, please ensure that the financial statements and audit results are available to be requested from the contact listed on Page 1 (audited financials may be attached) **OR**
- The above does not apply, but the organization filed an IRS Form 990 or Form 990-EZ for its most recently completed fiscal year. Please attach that IRS Form 990 or Form 990-EZ to the submission. (Form 990 Schedule B is not required) **OR**
- If neither of the above apply***, complete the Income Statement and Balance Sheet below with the following basic financial information from the organization's most recently completed fiscal year:

1. INCOME STATEMENT

	<u>Revenue</u>		<u>Expenses</u>
<i>Grants</i>	\$	<i>Compensation of officers, directors, and key personnel</i>	\$
<i>Donations</i>	\$	<i>Other salaries & wages</i>	\$
<i>Program Services Revenue</i>	\$	<i>Payroll taxes & employee benefits</i>	\$
<i>Interest & Dividends</i>	\$	<i>Occupancy, rent, utilities, and insurance</i>	\$
<i>All other Revenue</i>	\$	<i>Printing, publications, postage, office supplies, and IT</i>	\$
<u>Total Revenue</u>	\$	<i>All other expenses</i>	\$
		<u>Total Expenses</u>	\$

2. BALANCE SHEET

<u>Assets</u>		<u>Liabilities</u>	
<i>Cash & Equivalents</i>	\$	<i>Accounts Payable</i>	\$
<i>Investments</i>	\$	<i>Loans Payable</i>	\$
<i>Real Estate (less any depreciation)</i>	\$	<i>All other liabilities</i>	\$
<i>Other Property & Equipment (less any depreciation)</i>	\$	<u>Total Liabilities</u>	\$
<i>Pledges, grants, accounts receivable</i>	\$		
<i>All other assets</i>	\$		
<u>Total Assets</u>	\$		

Internal Revenue Service

Department of the Treasury

District
Director

P.O. Box 1680, GPO Brooklyn, NY 11202

Date: **MAY 13 1996**

▶
Advance Transit, Inc.
Billings Commerce Park
Post Office Box 635
Wilder, VT 05088-0635

Person to Contact:
Patricia Holub
Contact Telephone Number:
(718) 488-2333
EIN: 22-2558708

Dear Sir or Madam:

Reference is made to your request for verification of the tax exempt status of Advance Transit, Inc.

A determination or ruling letter issued to an organization granting exemption under the Internal Revenue Code remains in effect until the tax exempt status has been terminated, revoked or modified.

Our records indicate that exemption was granted as shown below.

Sincerely yours,

(Patricia Holub)

Patricia Holub
Manager, Customer
Service Unit

Name of Organization: Advance Transit, Inc.

Date of Exemption Letter: February 1985

Exemption granted pursuant to section 501(c)(3) of the Internal Revenue Code.

Foundation Classification (if applicable): Not a private foundation as you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.



ADVANCE TRANSIT, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)**

**JMM & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS**

ADVANCE TRANSIT, INC.

TABLE OF CONTENTS

**JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)**

	<u>Page</u>
Independent Auditor's Report	1 - 3
Financial Statements:	
Statement of Financial Position	4 - 5
Statement of Activities	6 - 7
Statement of Functional Expenses - 2024	8
Statement of Functional Expenses - 2023	9
Statement of Cash Flows	10
Notes to Financial Statements	11 - 20
Supplementary Information:	
Schedule of Expenditures of Federal Awards	21 - 23



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Advance Transit, Inc.
Wilder, Vermont

Opinion

We have audited the accompanying financial statements of Advance Transit, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 Advance Transit, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits obtained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Advance Transit, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Advance Transit, Inc. as of June 30, 2023 and for the year then ended were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in their report dated October 10, 2023.

Responsibilities of Management 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.

Responsibilities of Management for the Financial Statements (continued)

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 Advance Transit, Inc.'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 and *Government 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.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 Advance Transit, Inc.'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 Advance Transit, Inc.'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.

Supplementary information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2025 on our consideration of Advance Transit, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Advance Transit, Inc.'s internal control over financial reporting and compliance.

Jmm & Associates

February 20, 2025

ADVANCE TRANSIT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

A S S E T S

	2024	2023
CURRENT ASSETS		
Cash	\$ 3,145,434	\$ 3,253,572
Short-term investments	783,435	753,030
Grants and other receivables	711,015	734,743
Pledges receivable, current	1,578,270	1,325,571
Inventory	191,239	204,780
Prepaid expenses	145,189	119,176
TOTAL CURRENT ASSETS	6,554,582	6,390,872
 PROPERTY AND EQUIPMENT		
Land and land improvements	311,162	311,162
Buildings	5,713,218	5,210,289
Vehicles and related equipment	14,777,541	13,424,844
Maintenance and radio equipment	489,132	425,287
Office equipment	671,366	671,366
	21,962,419	20,042,948
Less accumulated depreciation	(9,320,438)	(8,086,946)
TOTAL PROPERTY AND EQUIPMENT	12,641,981	11,956,002
 OTHER ASSET		
Pledges receivable, net of current portion	225,000	325,000
TOTAL OTHER ASSET	225,000	325,000
 TOTAL ASSETS	\$ 19,421,563	\$ 18,671,874

See accompanying notes.

LIABILITIES AND NET ASSETS

	2024	2023
CURRENT LIABILITIES		
Accounts payable	\$ 58,196	\$ 129,009
Accrued salaries and payroll taxes	123,644	69,973
Accrued vacation	176,746	119,122
Deferred revenue	-	38,020
	358,586	356,124
 TOTAL CURRENT LIABILITIES	 358,586	 356,124
 TOTAL LIABILITIES	 358,586	 356,124
 NET ASSETS		
Net assets without donor restrictions:		
Board-designated:		
Capital Reserve Fund	1,100,000	1,100,000
Operating Reserve Fund	2,400,000	2,400,000
Strategic Reserve Fund	468,400	468,400
Subtotal - board-designated	3,968,400	3,968,400
Undesignated	649,527	880,122
Total net assets without donor restrictions	4,617,927	4,848,522
Net assets with donor restrictions	14,445,050	13,467,228
	19,062,977	18,315,750
 TOTAL NET ASSETS	 19,062,977	 18,315,750
 TOTAL LIABILITIES AND NET ASSETS	 \$ 19,421,563	 \$ 18,671,874

See accompanying notes.

ADVANCE TRANSIT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	<u>2024</u>	<u>2023</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Federal grants - operating	\$ 4,096,296	\$ 3,729,734
Federal grants - CMAQ	164,535	222,003
Federal and state grants - other	80,120	-
State grants - Vermont and New Hampshire	315,949	34,782
Grants - other	110,304	90,729
Community partner and municipal support	606,079	480,963
Donations	138,803	99,075
Sponsorships	65,983	85,509
Miscellaneous revenue	71,189	21,599
Subtotal - support and revenue	<u>5,649,258</u>	<u>4,764,394</u>
Net assets released from restrictions	<u>2,562,680</u>	<u>2,638,690</u>
TOTAL SUPPORT AND REVENUE	<u>8,211,938</u>	<u>7,403,084</u>
 EXPENSES		
Public and other transportation	6,724,941	5,769,037
General and administrative	1,469,687	1,351,923
Fundraising	<u>62,635</u>	<u>52,751</u>
TOTAL EXPENSES	<u>8,257,263</u>	<u>7,173,711</u>
 CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
BEFORE TRANSFERS	(45,325)	229,373
Transfers of local share to restricted	<u>(185,270)</u>	<u>(220,978)</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(230,595)	8,395
 BEGINNING NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>4,848,522</u>	<u>4,840,127</u>
 ENDING NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 4,617,927</u>	<u>\$ 4,848,522</u>

See accompanying notes.

ADVANCE TRANSIT, INC.

STATEMENT OF ACTIVITIES (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)**

	2024	2023
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS REVENUE AND SUPPORT		
Federal and state grants - capital	\$ 1,857,663	\$ 2,646,251
Community and municipal support	1,497,569	1,251,726
Subtotal - operating income	3,355,232	3,897,977
Net assets released from restrictions	(2,562,680)	(2,638,690)
 TOTAL REVENUE AND SUPPORT	 792,552	 1,259,287
 CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS BEFORE TRANSFERS	 792,552	 1,259,287
Transfers of local share to restricted	185,270	220,978
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	977,822	1,480,265
 BEGINNING NET ASSETS WITH DONOR RESTRICTIONS	 13,467,228	 11,986,963
 ENDING NET ASSETS WITH DONOR RESTRICTIONS	 <u>\$ 14,445,050</u>	 <u>\$ 13,467,228</u>
 TOTAL CHANGE IN NET ASSETS	 <u>\$ 747,227</u>	 <u>\$ 1,488,660</u>

See accompanying notes.

ADVANCE TRANSIT, INC.

STATEMENT OF FUNCTIONAL EXPENSES - 2024

**FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)**

	<u>Support Services</u>					
	<u>Public and Other Transportation</u>	<u>General & Admini- strative</u>	<u>Fundraising</u>			<u>Total Support Services</u>
Salaries and wages	\$ 3,280,002	\$ 746,831	\$ 8,388	\$ 755,219	\$ 4,035,221	\$ 3,285,271
Payroll taxes	251,523	45,638	692	46,330	297,853	235,367
Employee benefits	801,337	141,369	1,856	143,225	944,562	855,238
Subtotal - personnel	4,332,862	933,838	10,936	944,774	5,277,636	4,375,876
Vehicle expense	698,694	6,112	-	6,112	704,806	800,265
Insurance	315,269	11,316	-	11,316	326,585	275,325
Occupancy costs	176,029	-	-	-	176,029	145,502
Office expenses	14,905	104,374	51,699	156,073	170,978	147,111
Professional fees	46,655	75,479	-	75,479	122,134	170,614
Advertising and marketing	-	70,450	-	70,450	70,450	31,459
Uniforms and other expenses	45,395	-	-	-	45,395	47,856
Travel	6,297	-	-	-	6,297	4,767
Subtotal - expenses before depreciation	5,636,106	1,201,569	62,635	1,264,204	6,900,310	5,998,775
Depreciation	1,088,835	268,118	-	268,118	1,356,953	1,174,936
TOTAL EXPENSES	\$ 6,724,941	\$ 1,469,687	\$ 62,635	\$ 1,532,322	\$ 8,257,263	\$ 7,173,711

See accompanying notes.

ADVANCE TRANSIT, INC.

STATEMENT OF FUNCTIONAL EXPENSES - 2023

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Public and Other Transportation</u>	<u>Support Services</u>			<u>2023 Total</u>
		<u>General & Admini- strative</u>	<u>Fundraising</u>	<u>Total Support Services</u>	
Salaries and wages	\$ 2,665,761	\$ 609,889	\$ 9,621	\$ 619,510	\$ 3,285,271
Payroll taxes	187,620	46,948	799	47,747	235,367
Employee benefits	720,981	131,048	3,209	134,257	855,238
Subtotal - personnel	3,574,362	787,885	13,629	801,514	4,375,876
Vehicle expense	795,191	5,074	-	5,074	800,265
Insurance	263,398	11,737	190	11,927	275,325
Professional fees	73,438	97,176	-	97,176	170,614
Office expenses	34,429	73,750	38,932	112,682	147,111
Occupancy costs	145,502	-	-	-	145,502
Uniforms and other expenses	40,477	7,379	-	7,379	47,856
Advertising and marketing	-	31,459	-	31,459	31,459
Travel	4,515	252	-	252	4,767
Subtotal - expenses before depreciation	4,931,312	1,014,712	52,751	1,067,463	5,998,775
Depreciation	837,725	337,211	-	337,211	1,174,936
TOTAL EXPENSES	<u>\$ 5,769,037</u>	<u>\$ 1,351,923</u>	<u>\$ 52,751</u>	<u>\$ 1,404,674</u>	<u>\$ 7,173,711</u>

See accompanying notes.

ADVANCE TRANSIT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	2024	2023 (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants and contracts	\$ 4,752,912	\$ 4,183,124
Cash received from contributions	2,155,735	1,958,066
Cash received from other income	57,654	21,599
Cash paid for salaries and benefits	(5,166,341)	(4,369,609)
Cash paid for goods and services	(1,705,957)	(1,608,304)
NET CASH PROVIDED BY OPERATING ACTIVITIES	94,003	184,876
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of property and equipment	13,535	-
Purchases of property and equipment	(2,042,934)	(2,789,904)
Increase in short-term investments	(30,405)	(753,030)
NET CASH USED BY INVESTING ACTIVITIES	(2,059,804)	(3,542,934)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital grants received	1,857,663	2,646,251
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,857,663	2,646,251
DECREASE IN CASH	(108,138)	(711,807)
BEGINNING CASH	3,253,572	3,965,379
ENDING CASH	\$ 3,145,434	\$ 3,253,572

See accompanying notes.

ADVANCE TRANSIT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR 2023)

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Summary of operations and activities

Advance Transit, Inc. (ATI or the Organization) is a voluntary, not-for-profit organization incorporated under the laws of the State of New Hampshire and is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Its mission is to provide a comprehensive transportation network for the several towns of the Upper Connecticut River Valley Region of New Hampshire and Vermont.

ATI's programs consisted of the following:

Public and other transportation expenses support fare-free, fixed-route public transportation services within the communities of Hartford and Norwich in Vermont, and Hanover, Lebanon, Enfield, and Canaan in New Hampshire. Additionally, an on-demand, ADA complementary paratransit service called ACCESS-AT is provided within three quarters of a mile of ATI's fixed routes.

General and administrative expenses are those administrative costs which are necessary for the operation of the public transportation system.

Fundraising includes expenses that the Organization incurs while soliciting donations from individuals, businesses, and foundations to support the public transportation program.

Basis of accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded when incurred.

Basis of presentation

ATI is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, depending on the existence or absence of donor restrictions.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. The fiscal year 2024 financial statements present the Statement of Cash Flows using the direct method. The Statement of Cash Flows for fiscal year 2023 was previously reported using the indirect method and has been restated to reflect the direct method. Additionally, short-term investments have been segregated from cash on the Statement of Financial Position and for the purposes of the Statement of Cash Flows. Finally, \$100,000 of net assets without donor restrictions previously reported as designated for the capital reserve have been reclassified as undesignated net assets as of June 30, 2023.

ADVANCE TRANSIT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR 2023)

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

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

Income taxes

Advance Transit, Inc. is a nonprofit corporation exempt from income taxes under IRC Section 501(c)(3). It has been classified as an organization that is not a private foundation under IRC 509(a)(2), and donations to the Organization qualify as charitable contributions. However, income from certain activities not directly related to ATI's tax-exempt purpose is subject to taxation as unrelated business income, as defined by Section 509(a)(1) of the Code.

The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

Leases and adoption of new accounting standard

Effective July 1, 2022, the Organization adopted the provisions of Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), which replaces the prior guidance for leases found in FASB ASC 840. ASU 2016-02 requires lessees with operating leases to recognize a right-of-use asset and related lease liability for leases with terms of 12 months or more.

If a contract provides the Organization the right to substantially all the economic benefits and the right to direct the use of an identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. ROU assets are also adjusted for any lease prepayments made, lease incentives received and initial direct costs incurred.

Lease liabilities are initially and subsequently recognized based on the present value of their future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

ROU assets for operating leases are subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

ADVANCE TRANSIT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR 2023)

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases and adoption of new accounting standard (continued)

ATI has elected to use the practical expedient to not separate lease and non-lease components for all leases and to use the portfolio approach for similar leases. ATI has elected to not use the risk-free rate to determine the discount rate for all leases and has elected to present right-of-use assets resulting from financing leases, and the related liabilities, separately from those resulting from operating leases in the Statement of Financial Position. ATI has elected a lease capitalization threshold of \$20,000.

Management has determined that there were no material leases as of June 30, 2024 or 2023 that required reporting a right-of-use asset or lease liability.

Contributions

ATI recognizes contributions when cash, securities or other assets; an unconditional promise to give; or notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend are met.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. 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 donor restrictions.

Cash and cash equivalents

For purposes of the Statement of Cash Flows, Advance Transit, Inc. considers all unrestricted, highly-liquid securities with an initial maturity of three months or less to be cash equivalents. Amounts on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per bank. Any excess amounts are fully collateralized by the depository bank through use of a variety of sweep accounts designed to maintain Organization deposit balances at levels below the FDIC coverage limit.

Provision for credit losses and adoption of new accounting standard

On July 1, 2023, ATI adopted Accounting Standards Update (ASU) 2016-13 *Financial Instruments - Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments* (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current economic conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including accounts and other receivables, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses.

ADVANCE TRANSIT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR 2023)

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Provision for credit losses and adoption of new accounting standard (continued)

Credit losses on other receivables as of June 30, 2024 and 2023 were not material to the financial statements. As a result, there was no material cumulative effect on net assets as of July 1, 2022 resulting from the adoption of ASU 2016-13.

Grant and other receivables

Grants and other receivables consists of amounts receivable from government grants and taxing agencies. Receivables are stated at the amount management expects to collect from outstanding balances.

Pledges receivable

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to an allowance based on its assessment of the amounts deemed collectible. It is the Organization's policy to charge off uncollectible pledges receivables when management determines that the receivable will not be collected.

Property and equipment

Property and equipment are stated at cost, if purchased. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are recorded as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, ATI reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor, and reclasses net assets with donor restrictions to net assets without donor restrictions at that time.

The Organization records purchases of equipment at cost. Expenditures for property, plant and equipment with a cost greater than \$5,000 are capitalized. Depreciation and amortization are computed on the straight-line method based on the following useful lives. Expenditures for maintenance, repairs and improvements, which do not materially extend the useful lives of the assets, are expensed.

ADVANCE TRANSIT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR 2023)

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment (continued)

The Organization's facility and certain transportation equipment are subject to liens held by the States of New Hampshire and/or Vermont as agents for the Federal Transit Administration or other Federal agencies to provide for compliance with grant requirements. The States of New Hampshire and/or Vermont also hold the title to any equipment while subject to a lien. Substantially all of the Organization's property and equipment, including related financing of these assets, are subject to these requirements. Therefore, the net assets related to property and equipment acquired through grants are reported as restricted.

Inventory

Inventory consists of parts and supplies related to bus maintenance. Inventory is stated at cost, cost being determined by the first-in, first-out cost basis.

Deferred revenue

The Organization records deferred revenue, which represents unearned sponsorship and contract revenue.

Revenue recognition

A substantial portion of ATI's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with the specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the Statement of Financial Position.

ATI provides transit services to community partners under contract agreements. Revenue is recognized as performances obligations outlined in the contracts are met.

Board-designated net assets without donor restrictions

It is the policy of the Organization's Board of Directors to review its plans for future property improvements and acquisitions, as well as other operating needs, from time to time and to designate appropriate sums of unrestricted net assets to assure adequate financing of such purposes.

Short-term investments

Short-term investments consisted of certificates of deposit with original maturity dates of less than one year. ATI reports investments in certificates of deposit at cost, which approximates fair value.

ADVANCE TRANSIT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization. No amounts have been reflected in the financial statements for donated services since none met the criteria for recognition.

Advertising

Advertising costs are charged to expense when incurred.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents expenses by function and natural classification. Expenses are allocated to specific functional areas by assignment to individual general ledger accounts that identify the expense with a specific functional category.

Contributed nonfinancial assets and adoption of new accounting standard

Effective June 1, 2023, the Organization adopted the provisions of Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which improves transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The effects of the new standard have been applied retroactively to each prior reporting period presented. The restatement had no effect on net assets as of July 1, 2022.

2) LIQUIDITY

Advance Transit, Inc. regularly monitors liquidity required to meet its operating needs and other contractual commitments. ATI has various sources of liquidity at its disposal, primarily cash, short-term investments, and a line of credit (Note 5).

For purposes of analyzing resources available to meet general expenditures over a 12-month period, ATI considers all expenditures related to its ongoing program and support activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, Advance Transit, Inc. operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Additionally, board-designated reserves could be accessed if deemed necessary by the Organization. Refer to the Statement of Cash Flows which identifies the sources and uses of the Organization's cash generated by operating activities.

ADVANCE TRANSIT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR 2023)

2) LIQUIDITY (continued)

As of June 30, 2024 and 2023, the following table shows the financial assets held by Advance Transit, Inc., and the amounts of those financial assets which could readily be made available within one year of the Statement of Financial Position dates to meet general expenditures:

	2024	2023
Financial assets at year-end:		
Cash	\$ 3,145,434	\$ 3,253,572
Short-term investments	783,435	753,030
Grants and other receivables	711,015	734,743
Pledges receivable, current	1,578,270	1,325,571
Pledges receivable, net of current portion	225,000	325,000
Total financial assets at year-end	6,443,154	6,391,916
Less amounts not readily available to meet general expenditures over the next 12 months:		
Pledges receivable, net of current portion	(225,000)	(325,000)
Designated for Capital Reserve Fund	(1,100,000)	(1,100,000)
Designated for Operating Reserve Fund	(2,400,000)	(2,400,000)
Designated for Strategic Reserve Fund	(468,400)	(468,400)
Financial assets available to meet general expenditures over the next 12 months	\$ 2,249,754	\$ 2,098,516

3) GRANTS AND OTHER RECEIVABLES

Grants and other receivables consisted of the following at June 30:

	2024	2023
New Hampshire Department of Transportation	\$ 507,850	\$ 455,279
Vermont Agency of Transportation	173,709	208,739
Contracts	-	26,425
Federal and state excise tax	26,273	24,703
Other	3,183	19,597
	\$ 711,015	\$ 734,743

Grants receivable consisted of amounts due primarily from the New Hampshire Department of Transportation and the Vermont Agency of Transportation. Due to their current nature, no allowance for credit loss is considered necessary.

ADVANCE TRANSIT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR 2023)

4) PLEDGES RECEIVABLE

Pledges receivable consisted of unconditional promises to give restricted for certain purposes or periods of time. Due to the nature of the receivables, management has determined that no allowance for uncollectible pledges is necessary. The discount rate on the long-term pledges receivable was calculated at the 5-year Daily Treasury Par Yield Curve Rate, 2.88%.

Pledges receivable were as follows as of June 30:

	2024	2023
Municipal support	\$ 629,284	\$ 578,796
Community partner support	862,561	672,930
Other - future periods	325,000	425,000
	1,816,845	1,676,726
Less discount	(13,575)	(26,155)
	\$ 1,803,270	\$ 1,650,571

Pledges receivable are reported in the Statement of Financial Position as follows at June 30:

Current	\$ 1,578,270	\$ 1,325,571
Noncurrent	225,000	325,000
	\$ 1,803,270	\$ 1,650,571

Pledges receivable are expected to be collected as follows:

Less than one year	\$ 1,591,845	\$ 1,351,726
One to five years	225,000	325,000
	1,816,845	1,676,726
Less discount	(13,575)	(26,155)
	\$ 1,803,270	\$ 1,650,571

5) LINE OF CREDIT

The Organization had available a bank line of credit with Mascoma Bank for up to \$200,000 at June 30, 2023. In January 2024, the line of credit agreement was amended and increased to \$1,000,000. It matured in February 2025 and was extended to April 15, 2025. It is secured by all business assets of the Organization. Draws on the line of credit bear interest based on the Wall Street Journal Prime rate, (8.5% and 8.25% as of June 30, 2024 and 2023, respectively). There were no outstanding balances on this line of credit as of June 30, 2024 or 2023.

ADVANCE TRANSIT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR 2023)

6) NET ASSETS

Advance Transit, Inc.'s net assets consisted of the following at June 30:

	2024	2023
Net asset without donor restrictions:		
Undesignated	\$ 649,527	\$ 880,122
Designated for capital reserve fund	1,100,000	1,100,000
Designated for operating reserve fund	2,400,000	2,400,000
Designated for strategic reserve fund	468,400	468,400
Subtotal - net assets without donor restrictions	4,617,927	4,848,522
Net asset with donor restrictions:		
Property and equipment, at cost:		
Land and land improvements	311,162	311,162
Buildings	5,713,218	5,210,289
Vehicles and related equipment	14,753,908	13,448,477
Maintenance and radio equipment	434,283	480,136
Office equipment	653,082	689,650
	21,865,653	20,139,714
Less accumulated depreciation	(9,223,672)	(8,323,057)
Net book value - restricted property and equipment	12,641,981	11,816,657
Municipal support - future periods	629,284	578,796
Community partner support - future periods	862,561	672,930
Other contributions - future periods, net of discount	311,224	398,845
Subtotal - net assets with donor restrictions	14,445,050	13,467,228
Total net assets	\$ 19,062,977	\$ 18,315,750

Board-designated net assets

In June 2016, the Board approved the establishment of a Board-designated Capital Reserve Fund. In November of 2018 the Board approved a change that modified the purpose to include funds committed for the coming fiscal year as part of the budget process and amounts that are beyond that period but reasonably certain to be incurred. This figure will be adjusted as capital match requirements change.

In January 2016 the Board approved the establishment of a Board-designated Operating Reserve Fund. The purpose of the Operating Reserve Fund is to set aside approximately four months of operating expenses for the organization.

ADVANCE TRANSIT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR 2023)

6) NET ASSETS (continued)

Board-designated net assets (continued)

During fiscal year 2021 the Organization's Board of Directors established a Strategic Reserve Fund. The Strategic Reserve Fund is intended to provide a ready source of funds for strategic initiatives necessary for the effective operation of the Organization and programs. The target amount of the Strategic Reserve Fund will be determined by reference to the forecasted needs of the organization, with the minimum established in an amount deemed sufficient to cover needs identified in the current strategic plan. The amount of the Strategic Reserve Fund target minimum is evaluated at least annually.

7) ECONOMIC DEPENDENCE

ATI receives substantial grant and contract funding from the Vermont Agency of Transportation and the New Hampshire Department of Transportation, and is dependent upon this funding to support most of its activities and operations. This funding is negotiated each year and is not guaranteed for future years. Loss of these funds could jeopardize ATI's ability to continue its activities and operations.

8) COMMITMENTS AND CONTINGENCIES

Grants and contracts require the fulfillment of certain conditions as set forth in the instrument of the grant or contract. Failure to fulfill the conditions could result in the return of the funds to grantors. Although that is a possibility, management deems the contingency remote, since by accepting the awards and their terms, it has accommodated the objectives of the Organization to the provisions of the grant.

9) RETIREMENT EXPENSE

The Organization sponsors a salary reduction contribution plan pursuant to Section 403(b) of the Internal Revenue Code, covering substantially all employees. Under the plan, employees contribute a specified percentage of their salary, or a fixed dollar amount, to the plan. The Organization may agree to make non-elective contributions or a matching contribution to their employees' 403(b) plans. The Organization currently matches 50% on the first 5% of employee deferrals. For the years ended June 30, 2024 and 2023 employer contributions to the plan were \$61,008 and \$42,210, respectively.

10) SUBSEQUENT EVENTS

As described in Note 5, the line of credit matured in February 2025 and was extended until April 15, 2025.

Advance Transit, Inc. has evaluated events and transactions for potential recognition or disclosure through February 20, 2025, the date the financial statements were available to be issued.

ADVANCE TRANSIT, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor Pass-through Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity ID Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Other programs:			
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research:			
<i>Passed through Vermont Agency of Transportation:</i>			
Transit Development Plan	20.505	FT202206-051	\$ 11,248
Total Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			<u>11,248</u>
Formula Grants for Rural Areas and Tribal Transit Program			
<i>Passed through Vermont Agency of Transportation:</i>			
5311 Operating	20.509	CRRSAA22-931	267,239
5311 Operating	20.509	FT201903-931	47,730
5311 Operating	20.509	FT24FORM-931	31,597
5311 Administration and ADA	20.509	FT24FLEX-451	385,434
5311 Preventative maintenance	20.509	FT24FLEX-551	162,297
5311 Non-urbanized Transportation - CMAQ	20.509	FT24FLEX-851	164,535
5311 - Capital	20.509	FT23FLEX-061	29,687
5311 - Capital	20.509	FT202101-061	22,014
5311 - Capital	20.509	FT202201-051	20,567
5311 - Capital	20.509	FT202201-061	1,921
5311 - Capital	20.509	FT24FLEX-061	310,344
5311 Rural Technical Assistance Program (RTAP)	20.509	FT202201-701	3,000
5311 Rural Technical Assistance Program (RTAP)	20.509	FT202104-701	1,620
5311 Rural Technical Assistance Program (RTAP)	20.509	FT201903-701	668
5311 Rural Technical Assistance Program (RTAP)	20.509	FT201803-701	76
5311 Rural Technical Assistance Program (RTAP)	20.509	FT23FORM-701	1,901
<i>Passed through New Hampshire Department of Transportation:</i>			
5311 Administration	20.509	NH-2021-017	971,824
5311 Capital preventive maintenance	20.509	NH-2021-017	644,653
5311 Capital ADA	20.509	NH-2021-017	246,606
5311 Operating	20.509	NH-2021-017	<u>1,338,917</u>
Total Formula Grants for Rural Areas and Tribal Transit Program			<u>4,652,630</u>
Total Other programs			<u>4,663,878</u>
Subtotal - Federal awards (forward)			<u>\$ 4,663,878</u>

ADVANCE TRANSIT, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor Pass-through Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity ID Number	Federal Expenditures
Subtotal - Federal awards (forwarded)			<u>\$ 4,663,878</u>
Federal Transit Cluster:			
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs			
<i>Passed through Vermont Agency of Transportation:</i>			
Infrastructure upgrade for EV bus fleet	20.526	FT202205-071	105,569
<i>Passed through New Hampshire Department of Transportation</i>			
Vehicles	20.526	NH-2021-010	1,090,988
Bike racks	20.526	NH-2023-003	50,621
Maintenance equipment	20.526	NH-34-0001	90,598
EV chargers	20.526	NH-2022-013	<u>52,789</u>
Total Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs			<u>1,390,565</u>
Total Federal Transit Cluster			<u>1,390,565</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>6,054,443</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Activities to Support State, Tribal, Local and Territorial (STLT)			
Health Department Response to Public Health or Healthcare Crises			
<i>Passed through the Grafton-Coos Regional Coordinating Council:</i>			
Community Outreach and Education on Transit Service Expansion	93.391	Expanded services	<u>44,267</u>
Total Activities to Support State, Tribal, Local and Territorial (STLT) U.S. Health Department Response to Public Health or Healthcare Crises			<u>44,267</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>44,267</u>
TOTAL FEDERAL AWARDS EXPENDED			<u><u>\$ 6,098,710</u></u>

The accompanying notes are an integral part of this schedule.

ADVANCE TRANSIT, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule of Expenditures of Federal Awards (the Schedule) are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2) INDIRECT COST RATE

Advance Transit Inc. (ATI) has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

3) BASIS OF PRESENTATION

The Schedule includes the federal award activity of ATI under programs of the Federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of Advance Transit Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of ATI.



ADVANCE TRANSIT, INC.

COMPLIANCE REPORTS

JUNE 30, 2024

**JMM & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS**

ADVANCE TRANSIT, INC.
COMPLIANCE REPORTS
JUNE 30, 2024

CONTENTS

	<u>Page</u>
Summary Schedule of Prior Audit Findings	1
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	2 - 3
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	4 - 6
Schedule of Findings and Questioned Costs	7 - 8

**ADVANCE TRANSIT, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023**

There were no findings or questioned costs in 2023.



VT License #92-0000171

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Advance Transit, Inc.
Wilder, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Advance Transit, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Advance Transit, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Advance Transit, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Jmm & Associates

February 20, 2025



VT License #92-0000171

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Advance Transit, Inc.
Wilder, Vermont

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Advance Transit, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Advance Transit, Inc.'s major federal programs for the year ended June 30, 2024. Advance Transit, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Advance Transit, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Advance Transit, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Advance Transit, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Advance Transit, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Advance Transit, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Advance Transit, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Advance Transit, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Advance Transit, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Advance Transit, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Jmm & Associates

February 20, 2025

**ADVANCE TRANSIT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified.
Internal control over financial reporting: Material weakness identified	No.
Significant deficiency identified not considered to be a material weakness	None reported.
Noncompliance material to financial statements noted	No.

Federal Awards

Internal control over major programs: Material weakness identified	No.
Significant deficiency identified not considered to be a material weakness	None reported.
Type of auditor's report issued on compliance for major programs:	Unmodified.
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)	No.

Identification of major programs:

<u>FAL #</u>	<u>Program Title</u>
20.509	Formula Grants for Rural Areas

Dollar threshold used to distinguish between Type A & Type B programs:	\$750,000.
Auditee qualified as low-risk auditee	Yes.

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.



President Rebecca Owens <i>Lebanon Representative</i>	Vice President Mark Beliveau <i>Hanover Representative</i>
Treasurer Georgios Katsaros <i>Norwich Representative</i>	Secretary John Haffner <i>Hartford Representative</i>
Ana Azuela <i>At-Large Director</i>	Kathie Nolet <i>At-Large Director</i>
Mark Bradley <i>Hartford Representative</i>	Mike Scheller <i>At-Large Director</i>
Lori Fortini <i>At-Large Director</i>	Rita Seto <i>At-Large Director</i>
Sara Glennon <i>At-Large Director</i>	James L. Taylor <i>Enfield Representative</i>
Robert Houseman <i>Hanover Member</i>	Devin Wilkie <i>Lebanon Representative</i>
Tanya Husick <i>At-Large Director</i>	

Key Personnel

<u>Name</u>	<u>Role</u>	<u>Annual Salary</u>	<u>Amount Paid From This Contract</u>
Adams Carroll	Executive Director	\$140,000	\$2,441.48

Adams Carroll

[linkedin.com/in/adamscarroll](https://www.linkedin.com/in/adamscarroll)

Experience

Contact

6 South St
Lebanon, NH 03766

apcthree@gmail.com
+1 (412) 593-7198

Advance Transit / Co-Executive Director

JUNE 2022 - PRESENT; WILDER, VT

numo llc / Director of Operations - indi

DECEMBER 2018 - MAY 2022; PITTSBURGH, PA

Pittsburgh Bikeshare Inc. / Director of Operations and Planning

SEPTEMBER 2016 - DECEMBER 2018; PITTSBURGH, PA

Metropolitan Government of Nashville and Davidson County /

Active Mobility Planner

JANUARY 2015 - SEPTEMBER 2016; NASHVILLE, TN

Walk Bike Nashville / Program Manager

JANUARY 2012 - AUGUST 2014; NASHVILLE, TN

Hands On Nashville / Program Coordinator

NOVEMBER 2011 - FEBRUARY 2013; NASHVILLE, TN

St. Petersburg State University & Bard College / International

Program Manager

DECEMBER 2009 - JUNE 2011; ST. PETERSBURG, RUSSIA

Education

University of Pittsburgh - Katz School Of Business / M.B.A.

2019-2022, BUSINESS ADMINISTRATION

Vanderbilt University - Peabody College / M.Ed.

2013-2015, COMMUNITY DEVELOPMENT AND ACTION

Reed College / B.A.

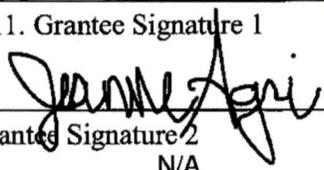
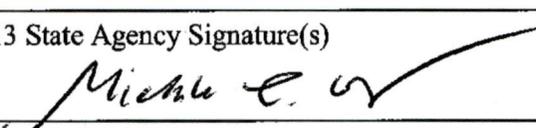
2005-2009, RUSSIAN LITERATURE AND LANGUAGE

GRANT AGREEMENT

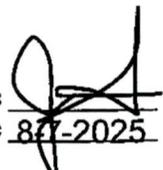
The State of New Hampshire and the Grantee hereby Mutually agree as follows:

GENERAL PROVISIONS

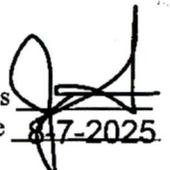
1. Identification and Definitions.

1.1. State Agency Name NH Department of Transportation		1.2. State Agency Address PO Box 483 & Hazen Dr. Concord, NH 03302-0483	
1.3. Grantee Name Community Action Program Belknap and Merrimack Counties, Inc.		1.4. Grantee Address 2 Industrial Park Drive PO Box 1016, Concord, NH 03302-1016	
1.5 Grantee Phone # 603-225-3295	1.6. Account Number 04-96-96-964010-2916-0 73-509074	1.7. Completion Date June 30, 2027	1.8. Grant Limitation \$296,584
1.9. Grant Officer for State Agency Frederick Butler, Public Transportation Administrator, Bureau of Rail & Transit		1.10. State Agency Telephone Number 603-271-2565	
If Grantee is a municipality or village district: "By signing this form we certify that we have complied with any public meeting requirement for acceptance of this grant, including if applicable RSA 31:95-b."			
1.11. Grantee Signature 1 		1.12. Name & Title of Grantee Signor 1 Jeanne Agri CEO	
Grantee Signature 2 N/A		Name & Title of Grantee Signor 2 N/A	
Grantee Signature 3 N/A		Name & Title of Grantee Signor 3 N/A	
1.13 State Agency Signature(s) 		1.14. Name & Title of State Agency Signor(s) Michelle Winters, Deputy Commissioner	
1.15. Approval by Attorney General (Form, Substance and Execution) (if G & C approval required)			
By:  Assistant Attorney General, On: 10/26/25			
1.16. Approval by Governor and Council (if applicable)			
By: _____ On: _____			

2. SCOPE OF WORK: In exchange for grant funds provided by the State of New Hampshire, acting through the Agency identified in block 1.1 (hereinafter referred to as "the State"), the Grantee identified in block 1.3 (hereinafter referred to as "the Grantee"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT B (the scope of work being hereinafter referred to as "the Project").



3. **AREA COVERED.** Except as otherwise specifically provided for herein, the Grantee shall perform the Project in, and with respect to, the State of New Hampshire.
4. **EFFECTIVE DATE: COMPLETION OF PROJECT.**
 - 4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire if required (block 1.16), or upon signature by the State Agency as shown in block 1.14 ("the Effective Date").
 - 4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.7 (hereinafter referred to as "the Completion Date").
5. **GRANT AMOUNT: LIMITATION ON AMOUNT: VOUCHERS: PAYMENT.**
 - 5.1. The Grant Amount is identified and more particularly described in EXHIBIT C, attached hereto.
 - 5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT C.
 - 5.3. In accordance with the provisions set forth in EXHIBIT C, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.
 - 5.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.
 - 5.5. Notwithstanding anything 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 Grant limitation set forth in block 1.8 of these general provisions.
6. **COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS.** In connection with the performance of the Project, the Grantee shall comply with all statutes, laws regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Grantee, including the acquisition of any and all necessary permits and RSA 31-95-b.
7. **RECORDS and ACCOUNTS.**
 - 7.1. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency, the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.
 - 7.2. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency pursuant to subparagraph 7.1, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in block 1.3 of these provisions
8. **PERSONNEL.**
 - 8.1. The Grantee shall, at its own expense, provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.
 - 8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.
 - 8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.
9. **DATA: RETENTION OF DATA: ACCESS.**
 - 9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, paper, or documents, all whether finished or unfinished.
- 9.2. Between the Effective Date and the Completion Date the Grantee shall grant the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.
- 9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State.
- 9.4. On and after the Effective Date 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, whichever shall first occur.
- 9.5. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.
10. **CONDITIONAL NATURE OR AGREEMENT.** Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriate funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.
11. **EVENT OF DEFAULT: REMEDIES.**
 - 11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):
 - 11.1.1 Failure to perform the Project satisfactorily or on schedule; or
 - 11.1.2 Failure to submit any report required hereunder; or
 - 11.1.3 Failure to maintain, or permit access to, the records required hereunder; or
 - 11.1.4 Failure to perform any of the other covenants and conditions of this Agreement
 - 11.2. Upon the occurrence of any Event of Default, the State may take any one, or more or all, of the following actions:
 - 11.2.1 Give the Grantee a written notice specifying the Event of Default and requiring 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 Grantee notice of termination; and
 - 11.2.2 Give the Grantee a written notice specifying the Event of Default and suspend all payments to be made under this Agreement and ordering that the portion of the Grant Amount which would otherwise accrue to the Grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and
 - 11.2.3 Set off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and
 - 11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity or both.
12. **TERMINATION.**
 - 12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, no later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.
 - 12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligation hereunder.
 - 12.4. Notwithstanding anything in this Agreement to the contrary, either the State or except where notice default has been given to the Grantee hereunder, the Grantee may terminate this Agreement without cause upon thirty (30) days written notice.
13. **CONFLICT OF INTEREST.** No officer, member of employee of the Grantee and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or



- approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.
- GRANTEE'S RELATION TO THE STATE.** In the performance of this Agreement the Grantee, its employees, and any subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.
15. **ASSIGNMENT AND SUBCONTRACTS.** The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Grantee other than as set forth in Exhibit B without the prior written consent of the State.
16. **INDEMNIFICATION.** The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or subcontractor, or subgrantee or other agent of the Grantee. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.
17. **INSURANCE.**
- 17.1 The Grantee shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:
- 17.1.1 Statutory workers' compensation and employees liability insurance for all employees engaged in the performance of the Project, and
- 17.1.2 General liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury or death any one incident, and \$500,000 for property damage in any one incident; and
- 17.2. The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Grantee shall furnish to the State, certificates of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy.
18. **WAIVER OF BREACH.** No failure by the State to enforce any provision hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure of waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Grantee.
19. **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 first above given.
20. **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 Council of the State of New Hampshire, if required or by the signing State Agency.
21. **CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intent of the parties hereto.
22. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.
23. **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 relating hereto.
24. **SPECIAL PROVISIONS.** The additional or modifying provisions set forth in Exhibit A hereto are incorporated as part of this agreement.



EXHIBITS TO AGREEMENT

EXHIBIT A Special Provisions

EXHIBIT B Scope of Services

EXHIBIT C Budget

Certificate of Good Standing

Certificate of Corporate Vote

Certificate of Insurance

Social Service Documents to Include:

501 (c)

Financial Report

Board of Directors

Key Personnel and Salaries

Resumes

EXHIBIT A
SPECIAL PROVISIONS

There are no modifications, deletions, or additions to the General Provisions in Form G-1.

EXHIBIT B
SCOPE OF SERVICES

B.1 Community Action Program Belknap-Merrimack Counties, Inc., (hereinafter the "Grantee") shall follow the terms and conditions applicable to State Operating Match funds, put forth through the New Hampshire Department of Transportation, 7 Hazen Drive, Concord, NH 03302-0483 (hereinafter referred to as "State"), as follows:

1.1 State Operating Match funds shall be used to provide a portion of the non-federal funds required to match Federal Transit Administration (FTA) funds for the operation of public transportation services provided by the Grantee, which are further detailed on the Grantee's website.

1.2 State Operating Match funds will be provided by the State as shown in Exhibit C; Budget.

**EXHIBIT C
BUDGET**

C.1 The Grant Limitation, as defined in G-1, Section 1.8 of the Agreement, are respective of State Operating Match funds and is granted as follows:

State Operating Match	FY 2026	FY 2027
Community Action Program Belknap and Merrimack Counties, Inc.	\$148,292	\$148,292
Total Two-Year State Operating Match	\$296,584	

- 1.1 Funds are contingent upon State appropriations.
- C.2 Reimbursement of the State Operating Match should be requested through invoices submitted to the State, no more than once a month, within the year of appropriation.
- 2.1 The final invoice for each year of appropriation shall be submitted to the State no later than June 10th.
- C.3 The Grantee's submitted invoices shall indicate the month(s) for which the State Operating Match is being applied and the amount of Federal Transit Administration (FTA) funds the State Operating Match is leveraging, and the FTA grant program from which the Grantee will draw down the FTA funds.
- 3.1 The Grantee shall use the Excel invoice template provided by the State for each reimbursement request.

State of New Hampshire

Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that COMMUNITY ACTION PROGRAM BELKNAP AND MERRIMACK COUNTIES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 28, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **63021**

Certificate Number: **0007142225**



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. 2025.

A handwritten signature in black ink, appearing to read "David M. Scanlan", is written over a faint circular stamp.

David M. Scanlan
Secretary of State



CERTIFICATE OF AUTHORITY

I, Christopher J. Pyles, President, Board of Directors, hereby certify that:

1. I am a duly elected officer of Community Action Program Belknap-Merrimack Counties, Inc.
2. The following is a true copy of a vote taken at a meeting of the Board of Directors Executive Committee, duly called and held on March 13, 2025, at which a quorum of the Directors were present and voting.

VOTED: That *Jeanne Agri, Chief Executive Officer/Executive Director, Michael Tabory, Chief Operating Officer/Deputy Director, Jill Lesmerises, Chief Fiscal Officer, Steven Gregoire, Budget Analyst, Christopher J. Pyles, Chair, Board of Directors* are duly authorized on behalf of Community Action Program Belknap-Merrimack Counties, Inc. to enter into contracts or agreements with State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. 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/contract amendment to which this certificate is attached. This authority was **valid thirty (30) days prior to and remains valid for thirty (30) days** from the date of this Certificate of Authority. 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: 8/7/25

Signature of Elected Officer

Name: Christopher J. Pyles
Title: President, Board of Directors



CERTIFICATE OF LIABILITY INSURANCE

09/26/2025

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

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

PRODUCER Cross Insurance-Manchester 1100 Elm Street Manchester NH 03101		CONTACT NAME: Stephanie Peffer PHONE (A/C, No, Ext): (603) 669-3218 E-MAIL ADDRESS: manch.certs@crossagency.com		FAX (A/C, No): (603) 645-4331	
INSURED Community Action Program Belknap-Merrimack Counties Inc. P. O. Box 1016 Concord NH 03302		INSURER(S) AFFORDING COVERAGE		NAIC #	
		INSURER A: Selective Insurance Co. of SC		19259	
		INSURER B: Granite State Health Care and Human Services Self-			
		INSURER C: Federal Ins Co		20281	
		INSURER D:			
		INSURER E:			
		INSURER F:			

COVERAGES **CERTIFICATE NUMBER:** 25-26 ALL **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input checked="" type="checkbox"/> OTHER: Professional Liability			S 2509940	10/01/2025	10/01/2026	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 Professional Liability \$ 1,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			S 2509940	10/01/2025	10/01/2026	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			S 2509940	10/01/2025	10/01/2026	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	P01707HCHS2025	01/01/2025	01/01/2026	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Directors & Officers Liability			J06511302	04/01/2025	04/01/2026	Limit 1,000,000 Deductible 5,000

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

[Job #: Job Type: DoT]
State of NH, Dept of Transportation is included as an Additional Insured with respect to General Liability and Auto Liability as per written contract with the above named insured. In accordance with NH law, carrier will give 60 days advance notice of cancellation or non-renewal, except for non-payment which is 10 days.

CERTIFICATE HOLDER State of New Hampshire Dept of Transportation 7 Hazen Drive PO Box 483 Concord NH 03302	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
---	--

© 1988-2015 ACORD CORPORATION. All rights reserved.

NONPROFIT COVER SHEET

A. Entity Name: Community Action Program Belknap and Merrimack Counties, Inc.

B. Entity's Contact Information for Records Requests (e.g., resumes of key personnel; audited financial statements):

Michael Tabory, Chief Operating Officer 603-225-3295 x 1126 mtabory@capbm.org
 8 Old Suncook Rd, PO Box 1016 Concord NH 03302

C. List Board of Directors and Affiliations

<u>Name (Identify any additional role(s) in Parentheses)</u>	<u>Affiliations</u>
Christopher Pyles (Chair)	Attorney -Sulloway & Hollis, PLLC – Concord
A.Bruce Carri (Treasurer)	Retired – Bruce Carri CPA, Concord
Safiya Wazir (Vice Chair)	NH DHHS- Bureau of Employment Support, Concord
Dennis Martino (Secretary)	UNH Adjunct Professor
David Croft (Vice Chair)	Office of the Sheriff – Merrimack County
Heather Brown (Director)	Volunteer and Community Bridges contracted provider
David Croft (Director)	Office of the Sheriff Merrimack County
Shauna Fisher (Director)	Head Start Policy Council and Community Bridges contracted provider
Sara A. Lewko (Director)	Human Resources Department Merrimack County
Nancy Mayville (Director)	Alton Housing for the Elderly Board Member
Ashley Reed (Director)	Volunteer for Moms Rising, Able NH, and the Council for Youths with Chronic Conditions (CYCC)
David Siff (Director)	Attorney - Law Office of David Siff, - Concord
Tracy Vergason (Director)	Early Care & Learning Council and Adjunct Professor Middlesex Community College

D. List Key Personnel (Resumes must be available upon request to the person(s) listed in section B or may be attached):

<u>Name</u>	<u>Role</u>	<u>Annual Salary</u>	<u>Amount Paid From This Contract</u>
Jeanne Agri	Chief Executive Officer	\$145,916	\$ 0

Michael Tabory	Chief Operating Officer	\$119,900	\$ 0
Jill Lesmerises	Chief Financial Officer	\$108,927	\$ 0
Terri Paige	Transportation Director	\$ 78,702	\$ 0

DISCLOSURE OF LEGAL ACTIVITIES INVOLVING THE STATE OF NEW HAMPSHIRE OR ANOTHER GOVERNMENT ENTITY

E. Check one of the following:

- [X] The entity is **not currently or has not been** party to any legal proceeding involving the State of New Hampshire (or any agency or subdivision thereof) or any other state/federal government entity before any adjudicative body in any jurisdiction **OR**
- [] The entity is or has been party to one or more legal proceedings as set forth above. Identify the jurisdiction, court or other adjudicative body, case number, and briefly describe the nature of the proceeding (Attached extra sheet if necessary).

CHARITABLE TRUSTS UNIT COMPLIANCE CERTIFICATION

F. Check one of the following:

- [X] is registered and in good standing with the New Hampshire Department of Justice Charitable Trusts Unit (** see note below) **or** has submitted a complete application for registration to the Charitable Trusts Unit and is awaiting a registration determination **OR**
- [] is not required to register with the Charitable Trusts Unit because it is neither tax-exempt under section 501(c)(3) of the Internal Revenue Code nor engages in charitable solicitations in the State of New Hampshire **OR**
- [] is exempt from registration with the Charitable Trusts Unit because it is a federal or state government, agency, or subdivision or is a religious organization, an integrated auxiliary of a religious organization, or is a convention or association of churches.

** Note: Attached screen shot from the DOJ Registered Charities List found at:

<https://mm.nh.gov/files/uploads/doj/remote-docs/registered-charities.pdf>

New Hampshire Department of Justice

Registered Charities List

Charitable Trusts Unit

G = Good Standing; X = Not in Good Standing; S = Suspended

Reg. No.	Charity Name	Address	City	State	Zip	Status	Report Due
1141	Community Action Program Belknap and Merrimack Counties	PO Box 1016	Concord	NH	03302-1016	G	1/15/2026

FINANCIAL DISCLOSURES

G. Check one the following:

- [X] The organization hired an outside firm to audit its financial statements or to prepare GAAP-compliant financial statements for its most recently completed fiscal year. If so, please ensure that the financial statements and audit results are available to be requested from the contact listed on Page 1 (audited financials may be attached) **OR**
- [] The above does not apply, but the organization filed an IRS Form 990 or Form 990-EZ for its most recently completed fiscal year. Please attach that IRS Form 990 or Form 990-EZ to the submission. (Form 990 Schedule B is not required) **OR**
- [] ***If neither of the above apply***, complete the Income Statement and Balance Sheet below with the following basic financial information from the organization's most recently completed fiscal year:

1. INCOME STATEMENT

<u>Revenue</u>		<u>Expenses</u>	
<i>Grants</i>	\$	<i>Compensation of officers, directors, and key personnel</i>	\$
<i>Donations</i>	\$	<i>Other salaries & wages</i>	\$
<i>Program Services Revenue</i>	\$	<i>Payroll taxes & employee benefits</i>	\$
<i>Interest & Dividends</i>	\$	<i>Occupancy, rent, utilities, and insurance</i>	\$
<i>All other Revenue</i>	\$	<i>Printing, publications, postage, office supplies, and IT</i>	\$
<u>Total Revenue</u>	\$	<i>All other expenses</i>	\$
		<u>Total Expenses</u>	\$

2. BALANCE SHEET

<u>Assets</u>		<u>Liabilities</u>	
<i>Cash & Equivalents</i>	\$	<i>Accounts Payable</i>	\$
<i>Investments</i>	\$	<i>Loans Payable</i>	\$
<i>Real Estate (less any depreciation)</i>	\$	<i>All other liabilities</i>	\$
<i>Other Property & Equipment (less any depreciation)</i>	\$	<u>Total Liabilities</u>	\$
<i>Pledges, grants, accounts receivable</i>	\$		
<i>All other assets</i>	\$		
<u>Total Assets</u>	\$		



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248459780
Oct. 02, 2008 LTR 4168C E0
02-0270376 000000 00 000
00019992
BODC: TE

COMMUNITY ACTION PROGRAM BELKNAP &
MERRIMACK COUNTIES INC
PO BOX 1016
CONCORD NH 03302-1016167



22246

Employer Identification Number: 02-0270376
Person to Contact: MR. PILLIS
Toll Free Telephone Number: 1-877-829-5500

Dear TAXPAYER:

This is in response to your request of Sep. 23, 2008, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in JULY 1968, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Michele M. Sullivan, Oper. Mgr.
Accounts Management Operations I

Financial Statements

COMMUNITY ACTION PROGRAM
BELKNAP - MERRIMACK COUNTIES, INC.

**FOR THE YEARS ENDED FEBRUARY 29, 2024 AND
FEBRUARY 28, 2023 AND
INDEPENDENT AUDITORS' REPORT AND
REPORTS ON COMPLIANCE AND INTERNAL CONTROL**

*Leone,
McDonnell
& Roberts*
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023**

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1 - 3
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5 - 6
Consolidated Statements of Functional Expenses	7 - 8
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	10 - 22
Supplementary Information:	
Schedule of Expenditures of Federal Awards	23 - 24
Notes to Schedule of Expenditures of Federal Awards	25
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	26 - 27
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance required by the Uniform Guidance	28 - 30
Schedule of Findings and Questioned Costs	31 - 32

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community Action Program of Belknap-Merrimack Counties, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Community Action Program of Belknap-Merrimack Counties, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of February 29, 2024 and February 28, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Community Action Program of Belknap-Merrimack Counties, Inc. as of February 29, 2024 and February 28, 2023, 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Action Program of Belknap-Merrimack Counties, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated 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 Community Action Program of Belknap-Merrimack Counties, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 and *Government 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 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Community Action Program of Belknap-Merrimack Counties, Inc.'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Action Program of Belknap-Merrimack Counties, Inc.'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.

Supplementary Information

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

generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2024, on our consideration of Community Action Program of Belknap-Merrimack Counties, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community Action Program of Belknap-Merrimack Counties, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Action Program of Belknap-Merrimack Counties, Inc.'s internal control over financial reporting and compliance.

*Leone McDonnell & Roberts
Professional Association*

Dover, New Hampshire
November 14, 2024

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FEBRUARY 29, 2024 AND FEBRUARY 28, 2023**

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash	\$ 786,672	\$ 1,711,575
Accounts receivable	3,691,075	6,027,912
Inventory	90,873	81,569
Prepaid expenses	93,547	100,225
Investments	151,171	128,956
Total current assets	<u>4,813,338</u>	<u>8,050,237</u>
PROPERTY		
Land, buildings and improvements	7,717,223	7,627,214
Equipment, furniture and vehicles	4,623,986	4,762,497
Construction in process	-	132,920
Total property	12,341,209	12,522,631
Less accumulated depreciation	<u>6,053,895</u>	<u>6,165,156</u>
Property, net	<u>6,287,314</u>	<u>6,357,475</u>
OTHER ASSETS		
Right of use asset	1,136,814	1,387,327
Cash escrow and reserve funds	143,291	77,328
Tenant security deposits	8,106	8,247
Due from related party	71,660	61,348
Total other assets	<u>1,359,871</u>	<u>1,534,250</u>
TOTAL ASSETS	<u>\$ 12,460,523</u>	<u>\$ 15,941,962</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Current portion of notes payable	\$ 111,255	\$ 237,926
Current portion of right of use liability	311,050	461,162
Line of credit	600,083	-
Accounts payable	2,233,966	4,550,252
Accrued expenses	1,290,635	1,177,337
Refundable advances	704,973	1,817,340
Total current liabilities	<u>5,251,962</u>	<u>8,244,017</u>
LONG TERM LIABILITIES		
Notes payable, less current portion shown above	565,216	668,146
Right of use liability, less current portion shown above	825,764	926,165
Tenant security deposits	8,081	8,221
Total liabilities	<u>6,651,023</u>	<u>9,846,549</u>
NET ASSETS		
Without donor restrictions	5,312,618	5,433,455
With donor restrictions	496,882	661,958
Total net assets	<u>5,809,500</u>	<u>6,095,413</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 12,460,523</u>	<u>\$ 15,941,962</u>

See Notes to Consolidated Financial Statements

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED FEBRUARY 29, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Grant awards	\$ 26,129,332	\$ -	\$ 26,129,332
Rental income	125,806	-	125,806
Other funds	3,627,514	3,047,768	6,675,282
In-kind	525,485	-	525,485
United Way	9,128	-	9,128
Interest income	2,703	-	2,703
Realized loss on sale of equipment	<u>(13,333)</u>	<u>-</u>	<u>(13,333)</u>
Total revenues and other support	30,406,635	3,047,768	33,454,403
NET ASSETS RELEASED FROM RESTRICTIONS	<u>3,212,844</u>	<u>(3,212,844)</u>	<u>-</u>
Total	<u>33,619,479</u>	<u>(165,076)</u>	<u>33,454,403</u>
EXPENSES			
Program	31,676,562	-	31,676,562
Management	<u>2,063,754</u>	<u>-</u>	<u>2,063,754</u>
Total expenses	<u>33,740,316</u>	<u>-</u>	<u>33,740,316</u>
CHANGE IN NET ASSETS	(120,837)	(165,076)	(285,913)
NET ASSETS, BEGINNING OF YEAR	<u>5,433,455</u>	<u>661,958</u>	<u>6,095,413</u>
NET ASSETS, END OF YEAR	<u>\$ 5,312,618</u>	<u>\$ 496,882</u>	<u>\$ 5,809,500</u>

See Notes to Consolidated Financial Statements

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED FEBRUARY 28, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Grant awards	\$ 56,930,603	\$ -	\$ 56,930,603
Rental Income	140,962	-	140,962
Other funds	2,804,065	3,122,293	5,926,358
In-kind	401,748	-	401,748
United Way	3,659	-	3,659
Interest Income	895	-	895
Realized loss on sale of equipment	<u>(36,538)</u>	<u>-</u>	<u>(36,538)</u>
Total revenues and other support	60,245,394	3,122,293	63,367,687
NET ASSETS RELEASED FROM RESTRICTIONS	<u>3,194,861</u>	<u>(3,194,861)</u>	<u>-</u>
Total	<u>63,440,255</u>	<u>(72,568)</u>	<u>63,367,687</u>
EXPENSES			
Program	61,101,300	-	61,101,300
Management	<u>1,988,237</u>	<u>-</u>	<u>1,988,237</u>
Total expenses	<u>63,089,537</u>	<u>-</u>	<u>63,089,537</u>
CHANGE IN NET ASSETS	350,718	(72,568)	278,150
NET ASSETS, BEGINNING OF YEAR	<u>5,082,737</u>	<u>734,526</u>	<u>5,817,263</u>
NET ASSETS, END OF YEAR	<u>\$ 5,433,455</u>	<u>\$ 661,958</u>	<u>\$ 6,095,413</u>

See Notes to Consolidated Financial Statements

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED FEBRUARY 29, 2024**

	<u>Program</u>	<u>Management</u>	<u>Total</u>
Salaries and wages	\$ 9,105,646	\$ 826,693	\$ 9,932,339
Payroll taxes and benefits	2,505,764	224,252	2,730,016
Travel	259,348	11,431	270,779
Occupancy	1,462,035	67,742	1,529,777
Program services	14,707,259	-	14,707,259
Other costs:			
Accounting fees	80,237	792	81,029
Legal fees	4,565	-	4,565
Supplies	195,916	40,011	235,927
Postage and shipping	46,082	-	46,082
Equipment rental and maintenance	4,780	-	4,780
Printing and publications	49,800	14,894	64,694
Conferences, conventions and meetings	18,678	-	18,678
Interest	-	62,390	62,390
Insurance	137,740	45,250	182,990
Membership fees	8,955	9,815	18,770
Utility and maintenance	59,074	69,084	128,158
Computer services	58,781	-	58,781
Other	2,413,981	154,502	2,568,483
Depreciation	32,436	536,898	569,334
In-kind	525,485	-	525,485
Total functional expenses	<u>\$ 31,676,562</u>	<u>\$ 2,063,754</u>	<u>\$ 33,740,316</u>

See Notes to Consolidated Financial Statements

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED FEBRUARY 28, 2023**

	<u>Program</u>	<u>Management</u>	<u>Total</u>
Salaries and wages	\$ 8,902,376	\$ 841,141	\$ 9,743,517
Payroll taxes and benefits	2,422,222	155,843	2,578,065
Travel	233,521	16,301	249,822
Occupancy	1,360,924	133,139	1,494,063
Program services	44,607,205	-	44,607,205
Other costs:			
Accounting fees	66,194	1,959	68,153
Legal fees	24,793	268	25,061
Supplies	289,188	38,955	328,143
Postage and shipping	45,766	-	45,766
Equipment rental and maintenance	1,540	-	1,540
Printing and publications	41,775	15,970	57,745
Conferences, conventions and meetings	13,885	-	13,885
Interest	3,991	39,049	43,040
Insurance	131,454	30,788	162,242
Membership fees	13,298	10,283	23,581
Utility and maintenance	139,247	-	139,247
Computer services	71,214	-	71,214
Other	2,298,910	139,405	2,438,315
Depreciation	32,049	565,136	597,185
In-kind	401,748	-	401,748
	<u>\$ 61,101,300</u>	<u>\$ 1,988,237</u>	<u>\$ 63,089,537</u>
Total functional expenses			

See Notes to Consolidated Financial Statements

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (285,913)	\$ 278,150
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	569,334	597,185
Interest on deferred financing costs	484	483
Unrealized (gain) loss on investments	(22,215)	9,837
Realized loss on sale of equipment	13,333	36,538
Decrease (increase) in current assets:		
Accounts receivable	2,336,837	(783,291)
Inventory	(9,304)	190,357
Prepaid expenses	6,678	(66,297)
Due from related party	(10,312)	4,140
Tenant Security Deposits	141	873
Increase (decrease) in current liabilities:		
Accounts payable	(2,316,286)	914,597
Accrued expenses	113,298	91,130
Refundable advances	(1,112,367)	279,538
Tenant Security Deposits	(140)	(899)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(716,432)</u>	<u>1,552,341</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property	<u>(512,506)</u>	<u>(773,876)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(512,506)</u>	<u>(773,876)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowing (repayment) on line of credit	600,083	(154,350)
Repayment of long term debt	<u>(230,085)</u>	<u>(309,165)</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>369,998</u>	<u>(463,515)</u>
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	(858,940)	314,950
CASH AND RESTRICTED CASH BALANCE, BEGINNING OF YEAR	<u>1,788,903</u>	<u>1,473,953</u>
CASH AND RESTRICTED CASH BALANCE, END OF YEAR	<u>\$ 929,963</u>	<u>\$ 1,788,903</u>
CASH AND RESTRICTED CASH:		
Cash	\$ 786,672	\$ 1,711,575
Cash escrow and reserve funds	<u>143,291</u>	<u>77,328</u>
	<u>\$ 929,963</u>	<u>\$ 1,788,903</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ 62,390</u>	<u>\$ 43,040</u>

See Notes to Consolidated Financial Statements

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Community Action Program Belknap – Merrimack Counties, Inc. (the Organization) is a New Hampshire nonprofit organization that serves nutritional, health, living and support needs of the low income and elderly clients in the two county service areas, as well as state wide. These services are provided with the financial support of various federal, state, county and local organizations.

Principles of Consolidation

The consolidated financial statements include the accounts of Community Action Program Belknap-Merrimack Counties, Inc., and the following entities as Community Action Program Belknap-Merrimack Counties, Inc. has both an economic interest and control of the entities through a majority voting interest in their governing board. All significant intercompany items and transactions have been eliminated from basic consolidated financial statements.

- Sandy Ledge Limited Partnership
- CAP BMC Development Corporation

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Basis of Presentation

The consolidated financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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

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

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023**

Donor restricted contributions are reported as increases in net assets with donor restrictions. When restrictions expire, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

The Organization had net assets with donor restrictions of \$496,882 and \$661,958 at February 29, 2024 and February 28, 2023, respectively (See **Note 13**).

Income Taxes

Community Action Program of Belknap-Merrimack Counties, Inc. is organized as a nonprofit corporation and is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Internal Revenue Service has determined them to be other than a private foundation.

The Organization files information returns in the United States and the State of New Hampshire. The Organization is subject to examinations by tax authorities for three years.

CAP BMC Development Corporation (the Corporation) is taxed as a "C" Corporation under the Internal Revenue Code. The Corporation accounts for deferred income taxes under the asset and liability method in accordance with Accounting Standards Codification No. 740 (ASC 740), "*Accounting for Income Taxes*". The objective of this method is to establish deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities at the enacted tax rate expected to be in effect when such amounts are realized or settled. ASC 740 also requires deferred tax assets and liabilities to be shown separately. There are no deferred tax assets or liabilities. The Corporation has no federal net operating loss carryforwards available at February 29, 2024 and February 28, 2023.

Sandy Ledge Limited Partnership is taxed as a partnership. Federal income taxes are not payable, or provided by the partnership. Earnings and losses are included in the partners' federal income tax returns based on their share of partnership earnings. Partnerships are required to file income tax returns with the State of New Hampshire and pay an income tax at the state's statutory rate.

Accounting Standard Codification No. 740 (ASC 740), *Accounting for Income Taxes*, established the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in consolidated financial statements. The Organization has analyzed its tax position taken on its income tax returns for the past three years, and has concluded that no additional provision for income taxes is necessary in the Organization's consolidated financial statements.

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023**

Property

Property and equipment is recorded at cost or, if donated, at the approximate fair value at the date of the donation. Assets purchased with a useful life in excess of one year and exceeding \$5,000 are capitalized unless a lower threshold is required by certain funding sources. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets as follows:

Buildings and improvements	40 years
Equipment, furniture and vehicles	3 - 10 years

Use of Estimates

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

Cash and Cash Equivalents

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

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

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support, depending on the nature of the restriction. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted.

Contributed Services

Donated services are recognized as contributions in accordance with FASB ASC No. 958, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, and would otherwise be purchased by the Agency.

Volunteers provided various services throughout the year that are not recognized as contributions in the consolidated financial statements since the recognition criteria under FASB ASC No. 958 were not met.

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023**

In-Kind Donations / Noncash Transactions

Donated facilities, services and supplies are reflected as revenue and expense in the accompanying consolidated financial statements, if the criteria for recognition is met. This represents the estimated fair value for the service, supplies and space that the Organization might incur under normal operating activities. The Organization received \$525,485 and \$401,748 in donated facilities, services and supplies for the years ended February 29, 2024 and February 28, 2023, respectively (See **Note 16**).

Advertising

The Organization expenses advertising costs as they are incurred. Total advertising costs for the years ended February 29, 2024 and February 28, 2023 totaled \$149,439 and \$133,749, respectively.

Inventory

Inventory consists of weatherization supplies and work in process and is valued at the lower of cost or net realizable value, using the first-in, first-out method.

Revenue Recognition

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

Rental Revenue

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

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been presented in the Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Expenses are charged to each program based on the direct expenses incurred or estimated usage based on time spent on each program by staff.

<u>Expense</u>	<u>Method of allocation</u>
Wages and benefits	Time and effort
Depreciation	Actual assets used by program
All other expenses	Direct assignment

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023

New Accounting Pronouncement

During the year ended February 29, 2024, the Organization adopted FASB ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization’s financial statements.

2. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. The Organization uses historical loss information as the basis to determine expected credit losses for receivables and believes the composition of receivables at year end is consistent with historical conditions. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for uncollectible accounts was estimated to be zero at February 29, 2024 and February 28, 2023. The Organization has no policy for charging interest on overdue accounts.

3. REFUNDABLE ADVANCES

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services or expenditures are performed or incurred. Funds received in advance of grantor conditions being met aggregated \$704,973 and \$1,817,340 as of February 29, 2024 and February 28, 2023, respectively.

4. LIQUIDITY AND AVAILABILITY

The following represents the Organization’s financial assets as of February 29, 2024 and February 28, 2023:

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash	\$ 786,672	\$ 1,711,575
Accounts receivable	3,691,075	6,027,912
Investments	151,171	128,956
Cash reserves	140,167	74,847
Cash escrow	<u>3,124</u>	<u>2,481</u>
Total financial assets	<u>4,772,209</u>	<u>7,945,771</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	496,882	661,958
Reserve funds	<u>140,167</u>	<u>74,847</u>
Amounts not available within one year	<u>637,049</u>	<u>736,805</u>

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023**

Financial assets available to meet general expenditures over the next twelve months \$ 4,135,160 \$ 7,208,966

It is the Organization's goal to maintain financial assets to meet 60 days of operating expenses which approximates \$5,370,000 and \$10,200,000, at February 29, 2024 and February 28, 2023, respectively. The Organization has lines of credit with a combined \$99,917 and \$700,000, available to borrow on at February 29, 2024 and February 28, 2023, respectively.

5. RETIREMENT PLAN

The Organization has a qualified contributory pension plan which covers substantially all employees. The cost of the plan is charged to programs administered by the Organization. The expense of the plan for the year ended February 29, 2024 and February 28, 2023 totaled \$212,693 and \$209,878, respectively.

6. LEASED FACILITIES

The right of use (ROU) asset represents the Organization's right to use underlying assets for the lease term, and the lease liability represents the Organization's obligation to make lease payments arising from these leases. The ROU asset and lease liability, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has elected to discount future cash flows at the risk free borrowing rates commensurate with the lease terms, which was 1.8%. Common expenses, classified as occupancy costs in the accompanying financial statements, are considered a non-lease component under FASB ASC 842 and are recognized as costs are incurred. The Organization's operating leases are described below.

The weighted average lease term at February 29, 2024 is 7.82 years. The weighted average discount rate at February 29, 2024 is 1.80%.

Facilities occupied by the Organization for its community service programs are leased under various operating leases. The lease terms range from month to month to ten years. For the year ended February 29, 2024 and February 28, 2023, the annual lease expense for the leased facilities was \$637,428 and \$586,539, respectively.

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023

The approximate future minimum lease payments as of February 29, 2024 on the above leases are as follows:

<u>Year Ended</u>	<u>Amount</u>
2025	\$ 329,677
2026	129,652
2027	111,327
2028	95,857
2029	95,857
Thereafter	<u>466,548</u>
	1,228,918
Less imputed interest	<u>92,104</u>
Total	<u>\$ 1,136,814</u>

7. ACCRUED EARNED TIME

The Organization has accrued a liability for future annual leave time that its employees have earned and vested with the employees in the amount of \$701,231 and \$691,684 at February 29, 2024 and February 28, 2023, respectively. The policy allows for a maximum of 50 days to be carried over to the next fiscal year, however, upon termination only two weeks will be paid out. The two week liability is \$304,049 and \$285,599 at February 29, 2024 and February 28, 2023, respectively.

8. BANK LINE OF CREDIT

The Organization has a \$200,000 revolving line of credit agreement (the line) with a bank that is due on demand. The line calls for monthly variable interest payments based on the Wall Street Journal Prime Rate (8.50% and 7.75% at February 29, 2024 and February 28, 2023, respectively) plus 1%, but not less than 6% per annum. The line is secured by all the Organization's assets. There was a balance of \$101,500 outstanding at February 29, 2024. There was no balance outstanding at February 28, 2023.

The Organization has a \$500,000 revolving line of credit agreement (the line) with a bank that is due on demand. The line calls for monthly variable interest payments based on the Wall Street Journal Prime Rate (8.50% and 7.75% at February 29, 2024 and February 28, 2023, respectively). The line is secured by all the Organization's assets. There was a balance of \$498,583 outstanding at February 29, 2024. There was no balance outstanding at February 28, 2023.

Subsequent to year end, the \$200,000 line increased to \$500,000.

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023

9. CONCENTRATION OF RISK

For the year ended February 29, 2024, approximately \$15,400,000 (46%), and \$7,000,000 (21%), of the Organization's total revenue was received from the Department of Health and Human Services and the Department of Agriculture. For the year ended February 28, 2023, \$18,300,000 (29%), and \$32,000,000 (51%), of the Organization's total revenue was received from the Department of Health and Human Services and the Department of Treasury, respectively. The future scale and nature of the Organization is dependent upon continued support from these departments.

10. LONG TERM DEBT

Long term debt consisted of the following as of February 29, 2024 and February 28, 2023:

	<u>2024</u>	<u>2023</u>
5.50% note payable to a financial institution in monthly installments for principal and interest of \$1,634 through July 2039. The note is secured by property of the Organization.	\$ 202,481	\$ 210,560
5.75% note payable to a financial institution in monthly installments for principal and interest of \$13,912. The note was paid in full during the year ended February 29, 2024.	-	71,040
3.00% note payable to the City of Concord for leasehold improvements in monthly installments for principal and interest of \$747 through May 2027. The note is secured by property of the Organization for the agency administrative building renovations.	27,164	35,179
7.00% note payable to a bank in monthly installments for principal and interest of \$4,842 through May 2023. The note is secured by a first real estate mortgage and assignment of rents and leases on property located in Concord, New Hampshire for Early Head Start.	5,016	65,076
1.00% Paycheck Protection Program loan payable to a bank in monthly installments for principal and interest of \$7,511 through April 2025.	106,604	187,615

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023

Non-interest bearing note payable by Sandy Ledge Limited Partnership to New Hampshire Housing deferred until June 1, 2034 or until the project is sold or refinanced or surplus cash is available. The note is collateralized by a mortgage on real estate.

	<u>340,042</u>	<u>341,922</u>
Total long-term debt before unamortized deferred financing cost	681,307	911,392
Unamortized deferred financing costs	<u>(4,836)</u>	<u>(5,320)</u>
	676,471	906,072
Less amounts due within one year	<u>111,255</u>	<u>237,926</u>
Long term portion	<u>\$ 565,216</u>	<u>\$ 668,146</u>

The scheduled maturities of long-term debt as of February 29, 2024 were as follows:

<u>Year Ending</u>	<u>Amount</u>
2025	\$ 111,255
2026	27,000
2027	18,294
2028	11,767
2029	10,640
Thereafter	<u>502,351</u>
	<u>\$ 681,307</u>

11. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of February 29, 2024 and February 28, 2023:

	<u>2024</u>	<u>2023</u>
Land	\$ 279,340	\$ 279,340
Building and improvements	7,437,883	7,347,874
Equipment and vehicles	4,623,986	4,762,497
Construction in process	<u>-</u>	<u>132,920</u>
	12,341,209	12,522,631
Less accumulated depreciation	<u>6,053,895</u>	<u>6,165,156</u>
Property and equipment, net	<u>\$ 6,287,314</u>	<u>\$ 6,357,475</u>

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023**

Depreciation expense for the years ended February 29, 2024 and February 28, 2023 totaled \$569,334 and \$597,185, respectively.

12. CONTINGENCIES

The Organization receives grant funding from various sources. Under the terms of these agreements, the Organization is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If expenditures were found not to have been made in compliance with the laws and regulations, the Organization might be required to repay the funds. No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed as of February 29, 2024.

13. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following specific program services as of February 29, 2024 and February 28, 2023:

	<u>2024</u>	<u>2023</u>
NH Food Pantry Coalition	\$ 663	\$ 663
Senior center	138,549	142,251
Elder services	10,715	143,046
Mary Gale	-	38,130
Summer feeding	14,488	20,503
Caring fund	8,793	8,793
Agency – FAP	50,550	60,913
Agency Head Start	153,780	177,872
Agency – FP/PN	69,329	69,329
Fundraising	46,999	-
Other programs and fundraising	<u>3,016</u>	<u>458</u>
Total net assets with donor restrictions	<u>\$ 496,882</u>	<u>\$ 661,958</u>

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023**

14. RELATED PARTY TRANSACTIONS

The Organization serves as the management agent for the following organizations:

<u>Related Party</u>	<u>Function</u>
Belmont Elderly Housing, Inc.	HUD Property
Epsom Elderly Housing, Inc.	HUD Property
Alton Housing for the Elderly, Inc.	HUD Property
Pembroke Housing for the Elderly, Inc.	HUD Property
Newbury Elderly Housing, Inc.	HUD Property
Kearsarge Elderly Housing, Inc.	HUD Property
Riverside Housing Corporation	HUD Property
Twin Rivers Community Corporation	Property Development
TRCC Housing Limited Partnership I	Low Income Housing Tax Credit Property

The services performed by the Organization included, marketing, accounting, tenant selection (for the HUD properties), HUD compliance (for the HUD properties), and maintenance of property.

The amount due from the related parties for operating activities (collectively) at February 29, 2024 and February 28, 2023 was \$335,878 and \$268,293, respectively, and is included in accounts receivables.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Community Action Program Belknap-Merrimack Counties, Inc. has also invested money relating to its Fix-it program in certain mutual funds. The fair value of the mutual funds totaled \$151,171 and \$128,956 at February 29, 2024 and February 28, 2023, respectively.

ASC Topic No. 825-10, Financial Instruments, provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in generally accepted accounting principles for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with FASB ASC 820, the Organization may use valuation techniques consistent with market, income and cost approaches to measure fair value. As a basis for considering market participant assumptions in fair value measurements, FASB ASC 820 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023**

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

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

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

At February 29, 2024 and February 28, 2023, the Organization's investments were classified as Level 1 and were based on fair value.

Fair Value Measurements using Significant Observable Inputs (Level 1)

	<u>2024</u>	<u>2023</u>
Beginning balance – mutual funds	\$ 128,956	\$ 138,793
Total gains – mutual funds	<u>22,215</u>	<u>(9,837)</u>
Ending balance – mutual funds	<u>\$ 151,171</u>	<u>\$ 128,956</u>

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

16. IN-KIND CONTRIBUTIONS/SERVICES

The Organization records the value of in-kind contributions according to the accounting policies described in **Note 1**.

The fair value of gifts in kind included contributions in the financial statements and the corresponding program expenses for the year ended February 29, 2024 and February 28, 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Volunteer hours		
Head Start and Early Head Start	\$ 263,727	\$ 117,171
SCSEP	13,852	88,700
Rental space	173,339	146,026
Advertising	63,050	15,960
Donated goods	<u>11,517</u>	<u>33,891</u>
Total	<u>\$ 525,485</u>	<u>\$ 401,748</u>

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023**

17. MANAGEMENT DISCUSSION OF FINANCIAL RESULTS:

The Organization experienced a decrease in several financial indicators during the year ended February 28, 2024. These included but are not limited to a decrease in cash, loss from operations and cash used in operating activities.

Management has been actively working on improving the financial position of the Organization. Management has reduced indirect staff positions, reduced vacancies in the housing entities, reduced square footage of rental space and is meeting monthly to review budgets and cut costs.

Management is confident that their efforts will improve the financial position over the next year.

18. RECLASSIFICATION

Certain amounts and accounts from the prior year financial statements have been reclassified to enhance the comparability with the presentation of the current year.

19. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 14, 2024, the date the consolidated financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

(See Independent Auditors' Report)

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL
FOR THE YEAR ENDED FEBRUARY 29, 2024**

FEDERAL GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS THROUGH GRANTOR'S NAME	IDENTIFYING NUMBER	FEDERAL EXPENDITURES	PASSED THROUGH TO SUB-RECIPIENTS
US DEPARTMENT OF HEALTH AND HUMAN SERVICES					
HEAD START CLUSTER					
Head Start	93.600		01CH011357	\$ 4,994,633	
ARPA - Head Start	93.600		01HET000622	2,400	
			CLUSTER TOTAL	4,997,033	
Low Income Home Energy Assistance Program	93.568	State of New Hampshire	02-52-52-520510-33540000	6,320,338	
Low Income Home Energy Assistance Program-BWP	93.568	State of New Hampshire	02-52-52-520510-33540000	445,996	
			TOTAL	6,766,334	
Low Income Water Assistance Program	93.499	State of New Hampshire	02-52-52-24520000	114,491	
Community Services Block Grant	93.569	State of New Hampshire	2301NHCSOR	389,429	
CV-Community Services Block Grant	93.569	State of New Hampshire	2001NHCS03	444,187	
			TOTAL	833,616	
Social Services Block Grant-Home Delivered & Congregate Meals	93.667	State of New Hampshire	2101NHSOSR	241,305	
AGING CLUSTER					
Title III, Part B-Senior Transportation	93.044	State of New Hampshire	17AANT3SS	181,319	
Title III, Part C-Congregate	93.045	State of New Hampshire	2201NH0ACM	157,744	
Title III, Part C-Home Delivered Meals	93.045	State of New Hampshire	2201NH0AHD	402,901	
ARPA - Title III, Part C-Home Delivered	93.045	State of New Hampshire	2101NH0DC6	145,855	
ARPA - Title III, Part C-Congregate	93.045	State of New Hampshire	2101NHHCMC6	105,163	
ARPA - Title III, Part C-Home Delivered	93.045	State of New Hampshire	2101NHHDC6	132,177	
ARPA - Title III, Part C-Congregate	93.045	State of New Hampshire	2101NHHCMC6	84,728	
NSIP	93.053	State of New Hampshire	1056477	171,684	
			CLUSTER TOTAL	1,361,571	
CHILD CARE AND DEVELOPMENT FUND CLUSTER					
Child Care & Development Block Grant	93.575	State of New Hampshire	NONE PROVIDED	409,194	
Child Care Mandatory & Matching Funds of the CCDF	93.596	State of New Hampshire	NONE PROVIDED	58,045	
			CLUSTER TOTAL	467,239	
MEDICAID CLUSTER					
Medical Assistance Program	93.778	State of New Hampshire	90NWP00008-01-00	251,423	
Medical Assistance Program - Veterans	93.778	Gateways Community Services	NONE	66,041	
			CLUSTER TOTAL	317,464	
STLT Health Department Response to Public Health or Healthcare Crises	93.391	State of New Hampshire	05-95-90-901010-5771	43,242	
Family Planning - Services	93.217	State of New Hampshire	FPHFA008511	88,795	
Maternal, Infant, & Early Childhood Home Visiting Program	93.870	State of New Hampshire	X10MC33595	16,171	
National Family Caregiver Support, Title III, Part E-Service Link	93.052	State of New Hampshire	90SA0003-02-00	88,630	
Special Programs for Aging, Title IV-Service Link	93.048	State of New Hampshire	90MP0176-03	29,499	
State Health Insurance Assistance Program	93.324	State of New Hampshire	90SA0003-04	22,330	
Medicare Enrollment Assistance Program	93.071	State of New Hampshire	2001NHMDR	15,686	
			HHS TOTAL	\$ 15,403,406	
US DEPARTMENT OF AGRICULTURE					
Special Suppl. Nutrition Program for Women, Infants & Children	10.557	State of New Hampshire	234NH703W1003 & 5003	\$ 756,290	
Senior Farmers Market	10.576	State of New Hampshire	194NH083Y8314	58,088	
Child & Adult Care Food Program	10.558	State of New Hampshire	NONE PROVIDED	162,885	

See Notes to Schedule of Expenditures of Federal Awards

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

Continued

**SCHEDULE OF EXPENDITURES OF FEDERAL
FOR THE YEAR ENDED FEBRUARY 29, 2024**

FEDERAL GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS THROUGH GRANTOR'S NAME	IDENTIFYING NUMBER	FEDERAL EXPENDITURES	PASSED THROUGH TO SUB-RECIPIENTS
CHILD NUTRITION CLUSTER					
Summer Food Service Program For Children	10.559	State of New Hampshire	NONE PROVIDED	152,439	
FOOD DISTRIBUTION CLUSTER					
Commodity Supplemental Food Program	10.566	State of New Hampshire	204NH814Y8005	235,997	30,189
Commodity Supplemental Food Program	10.565	State of New Hampshire	204NH814Y8005	463,254	463,254
Emergency Food Assistance Program-Administration	10.568	State of New Hampshire	01-14-14-141710-51310000	558,115	40,138
Emergency Food Assistance Program	10.569	State of New Hampshire	01-14-14-141710-51310000	4,706,806	4,706,805
			CLUSTER TOTAL	5,964,171	\$ 5,240,386
			USDA TOTAL	\$ 7,093,873	\$ 5,240,386
CORPORATION FOR NATIONAL & COMMUNITY SERVICES					
FOSTER GRANDPARENTS/SENIOR COMPANION CLUSTER					
Senior Companion Program	94.016		23SC254551	\$ 396,534	
			CNCS TOTAL	\$ 396,534	
US DEPARTMENT OF TRANSPORTATION					
Formula Grants for Rural Areas-Concord Transit	20.509	State of New Hampshire-Department of Transportation	NH-2021-017	\$ 677,738	
TRANSIT SERVICES PROGRAMS CLUSTER					
Enhanced Mobility of Seniors & Ind. W/Disabilities-CAT	20.513	State of New Hampshire-Department of Transportation	NH-2021-016-01	131,845	
Enhanced Mobility of Seniors & Ind. W/Disabilities-Mid State Transportation	20.513	State of New Hampshire-Department of Transportation	NH-2021-016-01	73,736	
Enhanced Mobility of Seniors & Ind. W/Disabilities-Volunteer Drivers	20.513	State of New Hampshire-Department of Transportation	NH-2021-016-01	102,235	
			CLUSTER TOTAL	307,916	
			DOT TOTAL	\$ 985,654	
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Emergency Solutions Grant	14.231	State of New Hampshire	E21-DC-33-0001	\$ 78,216	
Emergency Solutions Grant	14.231	State of New Hampshire	E20DW330001	6,058	
CV-Emergency Solutions Grant	14.231	State of New Hampshire	ERAE0119	356,958	
			TOTAL	441,232	
Supportive Housing	14.235	State of New Hampshire	05-95-42-423010-79270000	171,771	
Continuum of Care Program	14.267	State of New Hampshire	NH0152R1T002200	205,325	
			HUD TOTAL	\$ 818,328	
US DEPARTMENT OF ENERGY					
BIL-Weatherization Assistance for Low Income Persons	81.042	State of New Hampshire	02-52-52-520010-xxxx0000-074-500587	\$ 505,322	
Weatherization Assistance for Low Income Persons	81.042	State of New Hampshire	02-52-52-520010-33580000-074-500587	288,411	
			DOE TOTAL	\$ 793,733	
US DEPARTMENT OF LABOR					
Senior Community Service Employment Program	17.235	State of New Hampshire	1044701	\$ 105,702	
			DOL TOTAL	\$ 105,702	
U.S. DEPARTMENT OF THE TREASURY					
Coronavirus State and Local Fiscal Recovery Funds	21.027	Merrimack Couty	2022SSAPRA032	\$ 78,234	
Emergency Rental Assistance Program	21.023	NH Housing	ERA0012 and ERA0435	443,836	
Emergency Rental Assistance Program	21.023	NH Housing	ERAP 2	2,710,898	
				3,154,733	
			US TREASURY TOTAL	\$ 3,232,967	
			TOTAL	\$ 28,810,197	\$ 5,240,386

See Notes to the Schedule of Expenditures of Federal Awards

COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTIES, INC.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED FEBRUARY 29, 2024**

NOTE 1 **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Community Action Program Belknap-Merrimack Counties, Inc. under programs of the federal government for the year ended February 29, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Community Action Program Belknap-Merrimack Counties, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 **INDIRECT COST RATE**

Community Action Program Belknap-Merrimack Counties, Inc. has elected to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 **FOOD COMMODITIES AND VEHICLES**

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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Community Action Program Belknap-Merrimack Counties, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Action Program Belknap-Merrimack Counties, Inc. (a nonprofit organization), which comprise the statement of financial position as of February 29, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Action Program Belknap-Merrimack Counties, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Action Program Belknap-Merrimack Counties, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Community Action Program Belknap-Merrimack Counties, Inc.'s internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

*Leone McDonnell & Roberts
Professional Association*

Dover, New Hampshire
November 14, 2024

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

To the Board of Directors
Community Action Program Belknap-Merrimack Counties, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Community Action Program Belknap-Merrimack Counties, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Action Program Belknap-Merrimack Counties, Inc.'s major federal programs for the year ended February 29, 2024. Community Action Program Belknap-Merrimack Counties, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community Action Program Belknap-Merrimack Counties, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended February 29, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Community Action Program Belknap-Merrimack Counties, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Community Action Program Belknap-Merrimack Counties, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Community Action Program Belknap-Merrimack Counties, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Community Action Program Belknap-Merrimack Counties, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Community Action Program Belknap-Merrimack Counties, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Community Action Program Belknap-Merrimack Counties, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Community Action Program Belknap-Merrimack Counties, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Community Action Program Belknap-Merrimack Counties, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Leone McDonnell & Roberts
Professional Association*

Dover, New Hampshire
November 14, 2024

COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTIES, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED FEBRUARY 28, 2024**

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Community Action Program Belknap-Merrimack Counties, Inc. were prepared in accordance with generally accepted accounting principles.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Community Action Program Belknap-Merrimack Counties, Inc., which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and On Internal Control Over Compliance Required by the Uniform Guidance*. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for Community Action Program Belknap-Merrimack Counties, Inc. expresses an unmodified opinion on all major programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs include: U.S. Department of the Treasury, Emergency Rental Assistance Program, ALN 21.023, U.S. Department of Health and Human Services, Low Income Home Energy Assistance Program, ALN 93.568, U.S. Department of Agriculture, Food Distribution Cluster, ALN 10.565, 10.568, 10.569, U.S. Department of Energy, Weatherization Assistance for Low Income Persons, ALN 81.042.
8. The threshold for distinguishing Type A and B programs was \$864,306.
9. Community Action Program Belknap-Merrimack Counties, Inc. was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS AUDIT

None



COMMUNITY ACTION PROGRAM
BELKNAP-MERRIMACK COUNTIES, INC.
 EMPOWERING COMMUNITIES SINCE 1965



BOARD OF DIRECTORS

<p>Chris Pyles, <i>Chairperson</i> Board member since: 1/14/2021</p> <p>David Croft, <i>Vice Chairperson</i> Board member since: 5/13/2021</p> <p>A. Bruce Carri, <i>Treasurer</i> Board member since: 3/12/2020</p> <p>Safiya Wazir, <i>Secretary</i> Board member since: 11/2/2016</p> <p>Heather Brown Board member since: 1/15/2009</p> <p>Shauna Fisher</p>	<p>Sara A. Lewko Board member since: 2/21/2001</p> <p>Dennis Martino Board member since: 2/24/2005</p> <p>Ashley Reed HS Policy Council Chairperson Board member since: 5/12/2022</p> <p>David Siff, Esq. Board member since: 10/2/2013</p> <p>Tracy Vergason Board member since: 5/12/2022</p> <p>Nancy Mayville</p>
---	---



DEPARTMENT OF TRANSPORTATION SERVICES

Key Personnel

<u>Name</u>	<u>Role</u>	<u>Annual Salary</u>	<u>Amount Paid From This Contract</u>
Jeanne Agri	Chief Executive Officer	\$145,916	\$ 0
Michael Tabory	Chief Operating Officer	\$119,900	\$ 0
Jill Lesmerises	Chief Financial Officer	\$108,927	\$ 0
Terri Paige	Transportation Director	\$ 78,702	\$ 0

Jeanne Agri

PROFESSIONAL PROFILE

Versatile and experienced leader with highly developed communication skills: written, verbal and presentational. Adept in coaching and mentoring employees and colleagues as evidenced by my selection by the National Office of Head Start to serve as a mentor for new Head Start Directors. Committed to continuous improvement of activities to ensure they meet outcomes approved by the board through strategic planning, creating goal-oriented systems and conformance with all local, state and federal guidance.

WORK EXPERIENCE

Community Action Program Belknap-Merrimack Counties, Concord, NH

Chief Executive Officer

2018-present

- Assures the organization has long-range strategy which makes consistent and timely progress towards meeting the Agencies overall mission
- Responsible for the general supervision of all grant awards, ensuring that all statutory, regulatory, and /or program and financial requirements are met, that generally accepted accounting principles are applied, and that all program and financial policies and procedures are adhered to.
- Provide leadership in developing programs, organizational structures and financial systems that carry out the instructions and policies authorized by the Board
- Establish sound working relationships and cooperative arrangements with community groups, organizations and all funding sources important to the development of the agency and programs.
- See that the Board Director is kept fully informed and up to date on the condition of the organization and all important Federal, State or local requirements impacting on the Agency and/or its programs.

Southern New Hampshire Services, Manchester, NH

Education and Nutrition Operations Director

2016 - 2018

- Coordinate, manage and monitor workings of Child Development, Women Infant and Children, and Literacy Programs, as well as development of an agency wide Two-Generational Approach to services
- Formulate, improve and implement departmental and organizational policies and procedures to maximize output. Monitor adherence to rules, regulations, and procedures
- Assist in the recruitment and placement of required staff; establishment of organizational structure; delegation of tasks and accountabilities
- Supervise staff, including establishment of work schedules and monitoring and evaluating performance in partnership with Executive Director
- Assist in development of strategic plans for operational activity; implement and manage operational plans

Director of Child Development Programs

2001-2016

- Hire, coach and evaluate the performance of Program Managers, Specialists, Coordinators, Center Directors, Teachers and Head Start support staff
- Provide coaching, and learning opportunities for all employees focused on promoting, supporting and improving early development of children from the prenatal stage to five years of age using research-based practices
- Plan and implement strategic interventions with Program Managers, Specialists, Coordinators and Center Directors for sites needing administrative support and direction
- Plan, coordinate and facilitate regular leadership meetings for evaluating and strengthening systems to maintain the highest quality of services in compliance with Head Start Performance Standards
- Develop internal structures, systems, and policies supporting major content areas of Head Start program including education, health, mental health, social services, parent involvement, nutrition, disabilities, and transportation

- Collaborate with managers and internal fiscal department in the monitoring and control of component budgets; identification and interpretation of Head Start and community needs; conformance to the Performance Standards and other regulatory requirements
- Work in partnership with internal departments to support project goals and meet customer expectations
- Establish and maintain relationships and collaborations with public school districts, systems of higher education, and other community agencies and partners
- Ensure adequate systems in place to maintain the highest quality of services to children and families in compliance with Head Start Performance Standards
- Ensure consistency in service delivery across the program with attention to inclusive practices and integration of component areas; encourage continuous improvement of systems.

Quality Assurance Director/Co-Director for Child Development Programs 1999-2001

- Established and managed a robust monitoring, analysis and evaluation system with well-defined results, milestones, and targets inclusive of Continuous Quality Improvement practices
- Monitored for quality and compliance at Grantee and Delegate level
- Worked closely with program Director to review, track and assess monitoring compliance throughout program operations
- Developed and implements a written quality assurance and performance evaluation plan in conjunction with Governing Board, Policy Council
- Interpreted and evaluated a variety of information to present it in meaningful oral or written form for varied audiences and provide reliable analysis leading to sound decision-making

Area Manager/Education Manager 1997-1999

- Supervision of various Child Care sites including direct supervision of Center Directors/Site Managers
- Coordinate personal and professional development and training plans for staff and ensure teaching staff progress towards educational requirements as supported by the Performance Standards
- Documented and administered both positive and negative feedback and utilize Performance Improvement Plans when warranted.

Child Care Center Director/Site Manager 1995-1997

- Supervised, mentored, coach and administered work plans and directives to staff
- Communicated areas of performance improvement to staff and promote training that reflected individual needs of staff members and the team as a whole
- Ensure program compliance with codes of state and local licensing agencies and grant requirements

New Hampshire Technical College, Nashua, NH

Instructor 1995-1997

- Taught Child Growth & Development and assisted in curriculum development for Early Childhood Education Program
- Planned and organized instruction to maximize documented student learning
- Employed appropriate teaching and learning strategies to communicate subject matter to students
- Modified, where applicable, instructional methods and strategies to meet diverse student needs

EDUCATION

Southern New Hampshire University, Manchester, NH

Master's in Business Administration

June 2017

Notre Dame College, Manchester, NH

Bachelors of Arts in Elementary Education

1981

MICHAEL TABORY

SUMMARY OF QUALIFICATIONS

Over 20 years of demonstrated leadership in non-profit, corporate, and consulting management and supervisory roles, including Human Resources, Information Management & Technology Infrastructure, Project Management, Operations Management, and Sales & Marketing Management.

HIGHLIGHTS

- Strong decision making and multi-tasking skills in a dynamic business environment.
- Effective utilizing a Strength Based approach to leadership and management through the identification of strengths, qualities and skills of individuals.
- Excellent verbal and written communications skills in a business environment.
- Strong analytical and problem solving skills.
- Demonstrated skills in business process analysis, requirements definition and project scoping for software solutions and implementation.
- Proven experience managing compliance with Federal and State program regulations.
- Open minded, with a positive attitude.

PROFESSIONAL EXPERIENCE

COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTIES, INC.

PO Box 1016, Concord, NH 03302

October 2018 – Present

Chief Operating Officer

- Assists the Chief Executive Officer in the financial management, operations management and execution of the mission of Community Action Program Belknap-Merrimack Counties, Inc.
- Works closely with the Chief Executive Officer and in partnership with the entire staff, to ensure the smooth operation of the organization's key day-to-day functions.
- Oversees the personnel structure of the Agency and ensures compliance with federal, state and local laws and regulations and agency personnel policies.
- Develops collaborative professional relationships with other Agency staff, community-based providers and regulatory/funding sources.
- Performs program oversight and management, including interviewing, hiring, scheduling, training, supervising, evaluating and developing subordinate staff, and resolving employee problems; assigns tasks to maximize individual and team performance; ensures compliance with Agency policies and procedures.
- Provides oversight and leadership of Agency technology infrastructure, and works with Chief Executive Officer to develop facilities grown
- Assists Board of Director subcommittees with their role in planning, monitoring and evaluating the Agency's programs.

SOUTHERN NEW HAMPSHIRE SERVICES

PO Box 5040, Manchester, NH 03108

August 2006 – October 2018

Human Resources Director (March 2009 – October 2018)

- Manage all agency Human Resource office functions.
- Responsible for ensuring compliance with all Federal and NH State labor law, including but not limited to ADA, FMLA, FLSA, Anti-Discrimination, wage and hour.
- Work with leadership team in the ongoing development, review and revision of agency Personnel Policies.

- regarding hiring, performance management, disciplinary action and employment termination.
- Recommend and assist in coordination of technology infrastructure, including mission critical information management software solutions, telecommunications, and connectivity.
- Introduced and led the implementation process of migrating the agency's Human Resource Management and Payroll to a cloud based solution.
- Defined, designed and led the implementation of the agency intranet (iNet). Maintain content of iNet and provide technical support to agency website content and site maintenance.
- Coordinate purchase requisition and receiving for all agency technology purchases including computers, tablets, software, and printers to ensure consistency and compatibility of products placed on our network, and support by MIS department.
- Participate in agency insurance renewal decisions and maintenance, including Health, Vision, Dental, Property and Casualty, Directors and Officers, Workers Compensation.
- Act as Safety Coordinator in conjunction with the agency Joint Loss Committee.

WIA Quality Assurance Manager and Statewide Monitor (August 2006 – March 2009)

- Responsible for reviewing and ensuring eligibility and federal compliance of all WIOA participants.
- Provide eligibility and data validation training to all WIA staff.
- Maintain WIA Operations Manual.
- Contribute and review program grant submissions.
- Responsible for on-site program monitoring of all WIA Career Navigators statewide including subcontracted CAP agencies to ensure program compliance with federal regulations.

THE WILLIAM PALMER HOMESTEAD GROUP

PO Box 916, Milton, NH 03851

November 2001 – August 2006

Owner/Independent Consultant

- Database and Website architecture, design, development, and maintenance.
- Small and large scale Project Management.
- Office workflow analysis.
- Graphic Design and Marketing Support.

CHORUSAMERICA, LLC

650 Islington Street, Portsmouth, NH 03801

April 2001 – October 2001

Project Manager/Consultant & Business Development Manager

- Responsible for all aspects of planning and managing implementation of eBusiness solutions for Fortune 1000 companies, including resource allocation, budgeting, and time management.
- Responsible for working with clients and developers to define Design Specifications, Project Scope, and Project Plans.
- Define Marketing campaigns; produce marketing collateral and customer communications, presentations and corporate message.

PREFERRED CAPITAL CORPORATION

100 Main Street, Suite 150, Dover, NH 03820

March 1998 – January 2001

Credit Manager / Human Resources Manager / MIS Manager

- Define and implement credit department policies and procedures for the New Hampshire office.
- Responsible for relationship and communication with national funding sources.
- Responsible for recruiting, interviewing, hiring, discipline and morale of office personnel.
- Responsible for definition and enforcement of company policies and overall office operations.
- Ensure smooth operation of office technology including, network, phone system, and end user support.
- Provide Marketing Creative, Collateral and Support, Sales Statistics and Analysis.

CABLETRON SYSTEMS, INC.

35 Industrial Way, Rochester, NH 03867

February 1992 – March 1996

SPECTRUM International Partners Program Manager

- Provide marketing support and recruit new network technology manufacturers and vendors for product integration with Cabletron's SPECTRUM.
- Responsible for marketing and managing the Partners Program and its staff.

Software Engineer

- Responsibilities include technical leadership and project coordination in multi-engineer and cross-departmental projects.
- Responsible for all phases of development of mission critical information management applications.

ADDITIONAL EXPERIENCE

- Town of Milton NH Zoning Board of Adjustment – Chairperson.
- Town of Milton NH Planning Board – Chairperson.
- Friends of the Milton Free Public Library (non-profit organization) – Chairperson.
- Over 10 years of customer service and sales experience and over 3 years of sales leadership.
- Landlord – owner-occupied three-unit historic residence.
- Greyhound Pets of America – volunteer and foster home.

EDUCATION

SOUTHERN NEW HAMPSHIRE UNIVERSITY

Portsmouth, NH – MBA coursework

UNIVERSITY OF NEW HAMPSHIRE

Durham, NH - Bachelor of Science - Computer Science 1991

UNIVERSITY OF LANCASTER

Lancaster, Lancashire, England - Computer Science - 1987-1988

Jill Lesmerises

Profile

Experienced and self-motivated Accounting Professional bringing forth over 30 years of valuable progressive non-profit experience. Looking for an opportunity to use my non-profit experience to help guide an organization. Areas of experience range from cash management, bank reconciliations, accounts receivable, fixed assets, accounts payable, payroll, audit preparation, budget preparation, monitoring subrecipients, 403B pension compliance and audit preparation, employee benefits, and system implementations.

Employment Experience

10/21 – Present

Chief Fiscal Officer, Community Action Program Belknap-Merrimack Counties, Inc.

CAPBM is a not-for-profit with 25 million in revenue with 11 legal entities. The Agency has over 300 employees and holds 8 million in assets.

Oversee the daily activities of 6 fiscal staff, conduct budget meetings, prepare work papers for annual audit for agency and 10 housing projects, manage the daily cash flow of the agency and 10 housing projects, prepare paperwork for monitorings conducted by various funding sources, and review accounts payable input, journal entries, accounts receivable input, and monthly billings.

10/17 – 12/21

Senior Accountant, Southern New Hampshire Services, Inc.

Southern New Hampshire Services is a not-for-profit with 49 million in revenue with 30 legal entities. The Agency has over 400 employees and holds 84 million in assets.

Conduct monthly budget meetings, bill funding sources monthly, prepare work papers for annual audit, monitor subrecipients, prepare paperwork for monitoring conducted by various funding sources, review accounts payable input and manage daily workflow, provide backup for accounts payable and fuel assistance payable positions, prepare surveys for various governmental agencies, prepare ACA forms, prepare paperwork for 403B annual audit and file

5500, member and secretary of the 403B Committee, instrumental in getting PaperSave up and running within the Fiscal Department, prepare work papers for 26 housing programs

11/02 – 10/17

Staff Accountant, Community Action Program Belknap-Merrimack Counties, Inc.

At the time of my employment, Community Action Program Belknap-Merrimack Counties was a not-for-profit with 20 million in revenue. The Agency had over 479 employees and held over 7 million in assets.

Reconciled 36 bank accounts, billed funding sources monthly, prepared work papers for annual audit, prepared paperwork for monitoring by various funding sources, prepared and entered journal entries, reconciled general ledger accounts, reviewed daily accounts payable input, entered cash receipts in A/R system, provided backup for both payroll and accounts payable/receivable positions, managed daily workflow, and trained new accounting staff members

1/00 – 9/02

Account Supervisor (for 2 Companies), Whole Life, Inc.

Whole Life, Inc. is a not-for-profit with 6 million in revenue. The Agency had over 140 employees and held over 4 million in assets.

Prepared monthly and quarterly reports, yearly budgets, monthly invoices, work papers, and cost reports, prepared and entered journal entries, reconciled general ledger accounts, and billed Medicaid

9/98 – 1/00

Account Receivable Clerk (for 4 Companies), CSN Financial, Inc.

Coded cash receipts, prepared monthly invoices, and prepared accounts receivable and revenue work papers

5/93 – 9/98

Assistant Controller, Biosystems, Inc.

Collected past due accounts receivable both foreign and domestic, provided switchboard relief, handled petty cash funds, audited salesmen expenses, cut accounts payable checks, prepared journal entries, performed payroll functions

3/88 – 5/93

Business Officer, The Caring Community of Connecticut, Inc.

The Caring Community of Connecticut is a not-for-profit with 18 million in revenue.

Answered phones, filed correspondence, handled petty cash funds, typed correspondence, coded cash receipts and disbursements, reconciled bank accounts, screened job applicants, prepared work papers, and participated in administrator on-call program

Educational Background

1996-2000

Bachelor Degree in Accounting, Eastern Connecticut State University

Graduated cum laude

1992-1996

Associate Degree in Accounting, Three Rivers Community Technical College

Named to Dean's list, graduated with high honors

1981-1985

Merrimack Valley High School

Member of National Honor Society, named to Honor Roll for 3 years

Volunteer Work

1/17 – Present

Director on The Loudon Communications Council

Council is responsible for the distribution of a monthly newspaper to the residents of Loudon and to maintain the Town of Loudon NH website. Also served as Treasurer of the Council for 2 years.

Theresa C. Paige, Transit Director

PROFESSIONAL EXPERIENCE

Transportation Director

July 2019 - Current

Community Action Program Belknap & Merrimack Counties, Inc.

As the Transportation Director for Community Action Program Belknap & Merrimack Counties, Inc. (CAPBMCI) I am responsible for all aspects of operations for Concord Area Transit, (CAT), a fixed route rural public transportation service which is funded with a variety of federal, state, county, and municipal funding. This funding includes: FTA 5311, and 5310 RCC grant funding through NHDOT; BEAS Title III funding; Medicaid reimbursed rides and a variety of other grant funding. All of these funding sources have extensive operating and reporting requirements.

In addition I am responsible for the ongoing tasks of: budgeting; employee hiring, training and retention; marketing and community outreach; vehicle maintenance; securing advertisers for signs on the buses; creating and updating policies and procedures; route scheduling design; determining eligibility for the ADA Paratransit service attached to CAT and processing invoices for both accounts payable and accounts receivable.

I am also responsible for the operations of the Concord Senior Transit service which is a demand response service in Concord, Penacook and Suncook for seniors aged 60 and older and the Rural Transportation Services (RTS) vehicles and drivers which provide demand response service to senior aged 60 and older throughout Belmont and Merrimack counties. CAPBMCI also runs a Volunteer Driver Program that covers all of Belknap and Merrimack counties. I also supervise the activities of the 5310 RCC funded Mobility Manager who provides services throughout the Mid-State RCC region.

Transit Director

Feb 2017 – July 2019

Southwestern Community Services, Inc.

As the Transit Director for Sullivan County Transportation (SCT) I was responsible for all aspects of operations for a rural public transportation service which is funded with a variety of federal, state, county, and municipal funding. This funding included: FTA 5311, and 5310 RCC grant funding through NHDOT; BEAS Title III funding; Medicaid reimbursed rides and a variety of other grant funding. All of these funding sources have extensive operating and reporting requirements.

In addition I was responsible for the ongoing tasks of: budgeting; employee hiring, training and retention; marketing and community outreach; vehicle maintenance; securing advertisers for signs on the buses; creating and updating policies and procedures; route scheduling design; maintaining a FTA compliant drug & alcohol testing program and processing invoices for both accounts payable and accounts receivable. The transportation service is based in Claremont NH, with three flex route systems that run in Claremont, Charlestown and Newport. There is also a Demand Response "Dial-A-Ride" service that runs in the larger Claremont area. SCT also runs a Volunteer Driver Program that covers all of Sullivan County.

**Independent Contractor
RLS & Associates, Inc.**

July 2013 – Current

I Provide training on a variety of transit-relating topics, including Passenger Assistance and Refresher, Emergency Procedures, and Defensive Driving.

**Associate and RTAP Liaison
RLS & Associates, Inc.**

Nov 2013 – Feb 2017

I was the in-state Program Liaison and lead trainer for the New Hampshire and Massachusetts RTAP Programs. As lead trainer I instructed in a variety of DOT required training areas including: Passenger Assistance and Refresher; Emergency Procedures; Defensive Driving; Pre-Trip Inspections; Drug & Alcohol Reasonable Suspicion Referral and several customer service based topics. I scheduled all trainings and coordinated with RLS contracted trainers to ensure that required trainings were available at regional training sites throughout New Hampshire and Massachusetts. In addition I was responsible for state DOT technical assistance compliance reviews for FTA Drug and Alcohol programs in NC, WI, VA, and NH and several 5311 DOT compliance reviews in NH.

I served as interim transportation director for Southwestern Community Services, Inc. in 2016 when they agreed to take on the responsibility for the only public transportation service in Sullivan County. This service had been abruptly shut down when another social service provider in the region ceased operations. In this transitional position I provided all of the traditional management activities of a transit manager as well as the additional responsibilities of repairing community relationships and improving the service image.

**Regional Transportation Coordinator
Community Action Program Belknap-Merrimack Counties, Inc.**

Sep 2013 – Nov 2013

- Responsible for assisting the Mid-State Regional Coordinating Council with collaborative initiatives that enhance transportation options in the Mid-State region.

- Performed outreach activities to engage stakeholders and educate the public.
- Served as the liaison to state and local transit groups.
- Facilitated transportation coordination among public, private, and volunteer transit providers and stakeholders to enhance options for consumers.
- Marketed transportation services available to the Mid-State Region residents.
- Organized and completed local and regional needs assessments to identify unmet transportation needs.
- Reviewed barriers to transportation in the Mid-State Region and made recommendations to resolve issues.
- Assisted with organizing and carrying out the activities of the Mid-State RCC sub-committees. Assisted with the facilitation of meetings as assigned.

Mobility Manager

Sept 2010 – Sep 2013

Community Action Program Belknap-Merrimack Counties, Inc.

- Promoted, enhanced and facilitated access to transportation services, including integration and coordination of services for individuals with disabilities, older adults, individuals with low English proficiency, low income individuals and the general public.
- Provided coordinated services to human service organizations, including individualized travel training and trip planning activities for customers.
- Advocated and promoted the use of the WTS, CAT, and RTS transit systems with the general public, the business community, and human service organizations.
- Researched, secured, and managed grant funding and donations to support transportation services.
- Maintained close working relationships with all passenger transit providers in the region to improve ride referrals and collaboration of existing resources.
- Worked to improve access to jobs and employment support services by identifying and reducing barriers preventing use of transportation.
- Assisted in the development of transportation resources information including, but not limited to, bus schedules, resource manuals, brochures, Web pages, and signage improvements.
- Presented transportation resource information at community events and conferences.
- Conducted outreach to community organizations to identify unmet needs.

- Provided monthly training to transportation staff on topics including customer service, disability awareness and dealing with difficult passengers.

Independent Living Services Director Jan 2002 – Aug 2010
Granite State Independent Living

- Responsible for the supervision and day to day activities of the Independent Living Services case management program. These services included peer support and counseling, skills training, and advocacy.
- Responsible for the overall management of the Home Access/Modifications, Adaptive Equipment program, funded by grants and individual donations.
- Developed and managed a travel training initiative to assist individuals with disabilities gain better access to public transportation.
- Provided disability awareness, people first language, and customer service trainings to staff, community groups and transit providers.
- Secured funding for new and on-going programs, including grant writing and reporting.
- Supervised, coached, and evaluated a service delivery staff comprised of diverse personalities, (including staff located off-site), assuring the quality and consistency of services which were provided.
- Promoted the use of GSIL services through outreach, to the general public, other service providers and professionals. Supervised the development of brochures, presentation materials and other tools to assist with outreach efforts.
- Developed new services in response to needs evidenced in the market place. Assessed the needs of the community, and conducted an annual evaluation of consumer satisfaction with services.
- Responsible for the preparation of quarterly and annual reports and budgets.

Financial Case Manager

MIMS/Community and Vocational Outreach Worker 1996 –2001
White Mountain Mental Health and DD Services

- Assessed financial needs of individuals and assisted them in enhancing, securing, and maintaining State and Federal benefits.
- Served as a resource for other program staff handling benefits for consumers.
- Maintained personally supportive relationships with individuals and their families, without encouraging unnecessary dependence.
- Interfaced effectively with community supports on behalf of the client.

- Coordinated and implemented treatment plans for mental health consumers and their families.
- Resolved routine client needs and problems in the community independently.

EDUCATION

- Certified Community Transit Manager (CCTM) through CCTA
- Certified in Advanced Mobility Device Securement through the National Transit Institute
- Certified in Comprehensive ADA Paratransit Eligibility through the National Transit Institute
- Certified in Advanced Practices in Paratransit Service through Easter Seals Project Action
- Certified as Lead Trainer through Q'Staint
- Certified as FTA Drug & Alcohol Reasonable Suspicion Referral Supervisor
- Certified Master Gardener through the UNH Cooperative Extension and active presenter for the Master Gardener Speakers Bureau
- Course work in Human Services Springfield College, Manchester, NH (2002-04) and New Hampshire Community Technical College (1997-2001)

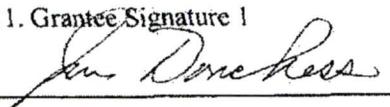
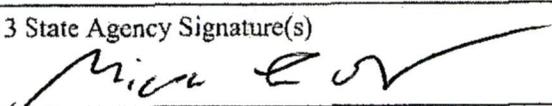
Subject: SFY 2026-2027 State Operating Match

GRANT AGREEMENT

The State of New Hampshire and the Grantee hereby
Mutually agree as follows:

GENERAL PROVISIONS

1. Identification and Definitions.

1.1. State Agency Name NH Department of Transportation		1.2. State Agency Address PO Box 483, 7 Hazen Dr., Concord, NH 03302-0483	
1.3. Grantee Name City of Nashua, Nashua Transit System		1.4. Grantee Address 11 Riverside Street, Nashua, NH 03060-3483	
1.5. Grantee Phone # 603-880-0100	1.6. Account Number 04-96-96-964010-2916-073 -509074	1.7. Completion Date June 30, 2027	1.8. Grant Limitation \$534,638
1.9. Grant Officer for State Agency		1.10. State Agency Telephone Number	
If Grantee is a municipality or village district: "By signing this form we certify that we have complied with any public meeting requirement for acceptance of this grant, including if applicable RSA 31:95-b."			
1.11. Grantee Signature 1 		1.12. Name & Title of Grantee Signor 1 Jim Donchess, Mayor	
Grantee Signature 2 N/A		Name & Title of Grantee Signor 2 N/A	
Grantee Signature 3 N/A		Name & Title of Grantee Signor 3 N/A	
1.13 State Agency Signature(s) 		1.14. Name & Title of State Agency Signor(s) Michelle Winters, Deputy Commissioner	
1.15. Approval by Attorney General (Form, Substance and Execution) (if G & C approval required) By:  Assistant Attorney General, On: 10/27/25			
1.16. Approval by Governor and Council (if applicable) By: _____ On: _____			

2. SCOPE OF WORK: In exchange for grant funds provided by the State of New Hampshire, acting through the Agency identified in block 1.1 (hereinafter referred to as "the State"), the Grantee identified in block 1.3 (hereinafter referred to as "the Grantee"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT B (the scope of work being hereinafter referred to as "the Project").

3. **AREA COVERED.** Except as otherwise specifically provided for herein, the Grantee shall perform the Project in, and with respect to, the State of New Hampshire.
4. **EFFECTIVE DATE: COMPLETION OF PROJECT.**
- 4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire if required (block 1.16), or upon signature by the State Agency as shown in block 1.14 ("the Effective Date").
- 4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.7 (hereinafter referred to as "the Completion Date").
5. **GRANT AMOUNT; LIMITATION ON AMOUNT; VOUCHERS; PAYMENT.**
- 5.1. The Grant Amount is identified and more particularly described in EXHIBIT C, attached hereto.
- 5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT C.
- 5.3. In accordance with the provisions set forth in EXHIBIT C, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.
- 5.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.
- 5.5. Notwithstanding anything 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 Grant limitation set forth in block 1.8 of these general provisions.
6. **COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS.** In connection with the performance of the Project, the Grantee shall comply with all statutes, laws regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Grantee, including the acquisition of any and all necessary permits and RSA 31-95-b.
7. **RECORDS and ACCOUNTS.**
- 7.1. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency, the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.
- 7.2. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency pursuant to subparagraph 7.1, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in block 1.3 of these provisions
8. **PERSONNEL.**
- 8.1. The Grantee shall, at its own expense, provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.
- 8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.
- 8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.
9. **DATA; RETENTION OF DATA; ACCESS.**
- 9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations,
- computer programs, computer printouts, notes, letters, memoranda, paper, and documents, all whether finished or unfinished.
- 9.2. Between the Effective Date and the Completion Date the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.
- 9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State.
- 9.4. On and after the Effective Date 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, whichever shall first occur.
- 9.5. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.
10. **CONDITIONAL NATURE OR AGREEMENT.** Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.
11. **EVENT OF DEFAULT; REMEDIES.**
- 11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):
- 11.1.1 Failure to perform the Project satisfactorily or on schedule; or
- 11.1.2 Failure to submit any report required hereunder; or
- 11.1.3 Failure to maintain, or permit access to, the records required hereunder; or
- 11.1.4 Failure to perform any of the other covenants and conditions of this Agreement.
- 11.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
- 11.2.1 Give the Grantee 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 Grantee notice of termination; and
- 11.2.2 Give the Grantee 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 Grant Amount which would otherwise accrue to the Grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and
- 11.2.3 Set off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and
- 11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity, or both.
12. **TERMINATION.**
- 12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.
- 12.3. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligations hereunder.
- 12.4. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice default has been given to the Grantee hereunder, the Grantee, may terminate this Agreement without cause upon thirty (30) days written notice.
13. **CONFLICT OF INTEREST.** No officer, member of employee of the Grantee, and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or

- approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.
14. **GRANTEE'S RELATION TO THE STATE.** In the performance of this Agreement the Grantee, its employees, and any subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.
 15. **ASSIGNMENT AND SUBCONTRACTS.** The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Grantee other than as set forth in Exhibit B without the prior written consent of the State.
 16. **INDEMNIFICATION.** The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or subcontractor, or subgrantee or other agent of the Grantee. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.
 17. **INSURANCE.**
 - 17.1 The Grantee shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:
 - 17.1.1 Statutory workers' compensation and employees liability insurance for all employees engaged in the performance of the Project, and
 - 17.1.2 General liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury or death any one incident, and \$500,000 for property damage in any one incident; and
 - 17.2 The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Grantee shall furnish to the State, certificates of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy.
 18. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure of waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Grantee.
 19. **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 first above given.
 20. **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 Council of the State of New Hampshire, if required or by the signing State Agency.
 21. **CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intent of the parties hereto.
 22. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.
 23. **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 relating hereto.
 24. **SPECIAL PROVISIONS.** The additional or modifying provisions set forth in Exhibit A hereto are incorporated as part of this agreement.

EXHIBITS TO AGREEMENT

EXHIBIT A Special Provisions

EXHIBIT B Scope of Services

EXHIBIT C Budget

Certificate of Good Standing

Certificate of Corporate Vote

Certificate of Insurance

Social Service Documents to Include:

501 (c)

Financial Report

Board of Directors

Key Personnel and Salaries

Resumes

EXHIBIT A
SPECIAL PROVISIONS

There are no modifications, deletions, or additions to the General Provisions in Form G-1.

EXHIBIT B
SCOPE OF SERVICES

- B.1 Nashua Transit System (NTS), (hereinafter the "Grantee") shall follow the terms and conditions applicable to State Operating Match funds, put forth through the New Hampshire Department of Transportation, 7 Hazen Drive, Concord, NH 03302-0483 (hereinafter referred to as "Department"), as follows:
- 1.1 State Operating Match funds shall be used to provide a portion of the non-federal funds required to match Federal Transit Administration (FTA) funds for the operation of public transportation services provided by the Grantee, which are further detailed on the Grantee's website.
 - 1.2 State Operating Match funds will be provided by the State as shown in Exhibit C; Budget.

**EXHIBIT C
BUDGET**

C.1 The Grant Limitation, as defined in G-1, Section 1.8 of the Grant Agreement, are respective of State Operating Match funds and is granted as follows:

State Operating Match	FY 2026	FY 2027
Nashua Transit System	\$267,319	\$267,319
Total Two-Year State Operating Match	\$534,538	

1.1 Funds are contingent upon State appropriations for each year of the biennium.

C.2 Reimbursement of the State Operating Match should be requested through invoices submitted to the State, no more than once a month, within the year of appropriation.

2.1 The final invoice for each year of appropriation shall be submitted to the State no later than June 10th.

C.3 The Grantee's submitted invoices shall indicate the month(s) for which the State Operating Match is being applied and the amount of Federal Transit Administration (FTA) funds the State Operating Match is leveraging, and the FTA grant program from which the Grantee will draw down the FTA funds.

3.1 The Grantee shall use the Excel invoice template provided by the State for each reimbursement request.

EXHIBIT D
GOOD STANDING EXEMPTION

D.1. **Nashua Transit System** is exempt from providing a Certificate of Good Standing as a "political subdivision".

TITLE III
TOWNS, CITIES, VILLAGE DISTRICTS, AND
UNINCORPORATED PLACES
CHAPTER 38-A
MUNICIPAL TRANSIT AUTHORITY
Section 38-A:18

38-A:18 Contracts Made by the Authority. -

I The authority shall have the power to enter into contracts and agreements which it considers to be in the interests of its public purposes with any person or persons, with any public or quasi-public corporation with any state, and with the United States and any department or agency thereof. It shall have power (here stated in illustration and not in limitation of its power) to enter into agreements for the joint use of any property and rights by the authority and by any public utility operating any transportation facilities; to enter into agreements with any public utility operating any transportation facilities either within or without the metropolitan area for the joint use of any property of the authority or public utility, or the establishment of through routes, joint fares and transfer of passengers; and to enter into agreements with any person, or public corporation or quasi-public corporation for the maintenance, servicing, storage, operation or use of any transit facility, property or equipment on such basis as shall seem to the authority consonant with its public purposes.

II The authority may make contracts, leases and agreements with any department or agency of the United States of America or of the state of New Hampshire, or with any person or municipality or labor union, and may generally perform all acts necessary for the full exercise of the powers vested in it. The authority may acquire rolling stock or other property under conditional sales contracts, leases, equipment, trust certificates, or any other form of contract or trust agreement. Contracts may be let by an officer or employee of the authority or by the superintending corporation in such manner as may be authorized from time to time by the authority. Any revenue bond indenture may provide limitations upon the exercise of the powers stated in this section and such limitations shall apply so long as any of the revenue bonds issued pursuant to such indenture are outstanding and unpaid.

Source. 1963, 278:1, eff. Sept. 1, 1963.

CERTIFICATION

I hereby certify that the attached document is a true and accurate copy of Resolution 25-204

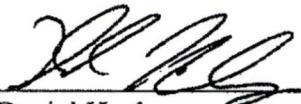
RELATIVE TO THE ACCEPTANCE OF \$68,250 FROM THE STATE OF NEW HAMPSHIRE DEPARTMENT OF TRANSPORTATION STATE FISCAL YEAR 2026-2027 CAPITAL MATCH FUNDS INTO TRANSIT GRANT ACTIVITY "TRANSIT CAPITAL PROJECTS" AND \$534,638 FROM THE STATE OF NEW HAMPSHIRE DEPARTMENT OF TRANSPORTATION STATE FISCAL YEAR 2026-2027 OPERATING MATCH FUNDS INTO TRANSIT GRANT ACTIVITY "FEDERAL TRANSIT ADMINISTRATION ("FTA") OPERATING GRANT"

Passed by the Board of Aldermen on September 23, 2025, and approved by the Mayor on September 24, 2025;

That the foregoing Resolution is in full force and effect, unamended, as of the date hereof.

WITNESS my hand and the seal of the said City of Nashua, New Hampshire, this 30th day of September 2025.

A true copy.
Attest:



Daniel Healey
City Clerk

City of Nashua
229 Main Street
Nashua, NH 03061-2019
(603) 589-3010, Option #5
CityClerkDept@NashuaNH.Gov

Office of the City Clerk

Daniel Healey

City Clerk

Roger Ordway Jr.

Deputy City Clerk



CERTIFICATION OF MUNICIPALITY

I, Daniel Healey, City Clerk of the City of Nashua, County of Hillsborough, State of New Hampshire, do hereby certify that:

1. I am the duly appointed City Clerk for the City of Nashua, NH;
2. I maintain and have custody of and am familiar with the seal and minute books of the municipality;
3. I am authorized to issue certificates with respect to the contents of such books and to affix such seal to such certificate;
4. That James W. Donchess was elected Mayor, by the voters of the City of Nashua, at the Municipal Election held on November 7, 2023;
5. The attached is a true copy of City Charter Section 45 which identifies the Mayor as the chief administrative officer and head of the administrative branch of city government. As such, the mayor supervises the administrative affairs of the city, carries out the policies enacted by the Board of Aldermen, and performs those duties prescribed by resolution or ordinance of the Board of Aldermen.
6. The foregoing charter provision, approved by the voters of Nashua, is in full force and effect, unamended, as of the date hereof; and

The following persons lawfully occupy the office(s) indicated below:

James W. Donchess, Mayor
Steven Bolton, Corporation Counsel
Dawn Enwright, Chief Financial Officer; Tax Collector/Treasurer
Daniel Healey, City Clerk

IN WITNESS WHEREOF, I have hereunto set my hand as the City Clerk of the Municipality on September 30, 2025.

Attest:


Daniel Healey, City Clerk

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

On September 30, 2025, before the undersigned officer personally appeared the person identified in the foregoing certificate, known to me, to be the City Clerk of the municipality identified in the foregoing certificate, and acknowledged that she executed the foregoing certificate.

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

Roger C. Ordway Jr.
Notary Public, State Of New Hampshire
My Commission Expires Oct. 16, 2029


Notary Public/Justice of the Peace

§ 45. [Mayor, general duties; administrative assistant, compensation]

The mayor shall be the chief administrative officer and the head of the administrative branch of the city government. He shall supervise the administrative affairs of the city and shall carry out the policies enacted by the board of aldermen. He shall enforce the ordinances of the city, this charter, and all general laws applicable to the city. He shall keep the board of aldermen informed of the condition and needs of the city and shall make such reports and recommendations as he may deem advisable, and perform such other duties as may be prescribed by this charter or required of him by ordinance or resolution of the board of aldermen, not inconsistent with this charter. He shall have and perform such other powers and duties not inconsistent with the provisions of this charter as now are or hereafter may be conferred or imposed upon him by municipal ordinance or upon mayors of cities by general law. The mayor shall nominate and the aldermen confirm an administrative assistant to the mayor who shall serve for an indefinite term and perform such duties and functions as the mayor shall designate. Said administrative assistant shall be chosen for his executive and administrative qualifications and need not be a resident of this state. He shall receive such compensation as may be set by ordinance.



RESOLUTION

RELATIVE TO THE ACCEPTANCE OF \$68,250 FROM THE STATE OF NEW HAMPSHIRE DEPARTMENT OF TRANSPORTATION STATE FISCAL YEAR 2026-2027 CAPITAL MATCH FUNDS INTO TRANSIT GRANT ACTIVITY "TRANSIT CAPITAL PROJECTS" AND \$534,638 FROM THE STATE OF NEW HAMPSHIRE DEPARTMENT OF TRANSPORTATION STATE FISCAL YEAR 2026-2027 OPERATING MATCH FUNDS INTO TRANSIT GRANT ACTIVITY "FEDERAL TRANSIT ADMINISTRATION ("FTA") OPERATING GRANT"

CITY OF NASHUA

In the Year Two Thousand and Twenty-Five

RESOLVED by the Board of Aldermen of the City of Nashua that the City of Nashua is authorized to accept \$68,250 of State Fiscal Year 2026-2027 Capital Budget funds from the State of New Hampshire Department of Transportation into Transit Grant Activity "Transit Capital Projects" for the purpose of providing funds to match Capital Grants from the Federal Transit Administrations ("FTA"), for Nashua Transit Center upgrades, bus stop infrastructure upgrades (including shelters), and three (3) medium duty ADA Paratransit buses.

FURTHER RESOLVED by the Board of Aldermen of the City of Nashua that the City of Nashua is authorized to accept \$534,638 of State Fiscal Year 2026-2027 New Hampshire Department of Transportation into Transit Grant Activity "Federal Transit Administration ("FTA") Operating Grant". This funding shall be in effect through June 30, 2027.

LEGISLATIVE YEAR 2025

RESOLUTION:

R-25-204

PURPOSE:

Relative to the acceptance of \$68,250 from the State of New Hampshire Department of Transportation State Fiscal Year 2026-2027 capital match funds into Transit Grant Activity "Transit Capital Projects" and \$534,638 from the State of New Hampshire Department of Transportation State Fiscal Year 2026-2027 operating match funds into Transit Grant Activity "Federal Transit Administration ("FTA") Operating Grant"

SPONSOR(S):

Mayor Jim Donchess
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman-at-Large Melbourne Moran, Jr.
Alderman Thomas Lopez
Alderman Derek Thibeault
Alderman Richard A. Dowd
Alderdwoman-at-Large Shoshanna Kelly
Alderman-at-Large Lori Wilshire

**COMMITTEE
ASSIGNMENT:**

Human Affairs Committee

FISCAL NOTE:

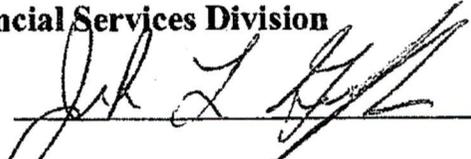
Fiscal impact is grant funding to be used for specific purposes.

ANALYSIS

This resolution authorizes the City to accept capital and operating match funds from the State of New Hampshire Department of Transportation for State Fiscal Year 2026-2027. The purpose of the funds to match the capital grants from the Federal Transit Administration ("FTA") is for Nashua Transit Center upgrades, bus stop infrastructure upgrades (including shelters) and medium duty ADA Paratransit buses. The purpose of the operating match funds is to provide a portion of the non-federal funds required to match Federal Transit Administration ("FTA") operating funds for transit operations.

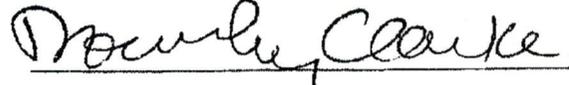
**Approved as to account
structure, numbers,
and amount:**

Financial Services Division

By: 

Approved as to form:

Office of Corporation Counsel

By: 

Date: 3 September 2025

RESOLUTION R-25-204

Relative to the acceptance of \$68,250 from the State of New Hampshire Department of Transportation State Fiscal Year 2026-2027 capital match funds into Transit Grant Activity "Transit Capital Projects" and \$534,638 from the State of New Hampshire Department of Transportation State Fiscal Year 2026-2027 operating match funds into Transit Grant Activity "Federal Transit Administration ("FTA") Operating Grant"

IN THE BOARD OF ALDERMEN

1ST READING September 9, 2025

Referred to:
Human Affairs Committee

2nd Reading September 23, 2025

3rd Reading _____

4th Reading _____

Other Action _____

Passed September 23, 2025

Indefinitely Postponed _____

Defeated _____

Attest: [Signature] City Clerk

[Signature] President

Approved [Signature] Mayor's Signature

9/24/25

Endorsed by

[Signature] MAYOR
[Signature] O'BRIEN
[Signature] MORAN
[Signature] LOPEZ
[Signature] THIBEAULT
[Signature] DOWD
[Signature] KELLY
[Signature] WILSHIRE

Vetoed: _____

Veto Sustained: _____

Veto Overridden: _____

Attest: _____ City Clerk

_____ President

Camille Correa

Career Summary

Transportation Executive Administrator with 20 years of experience administrating both rural and urban public transit systems directly and through contracted services.

Core Competencies

- ◆ Customer Service
- ◆ Fiduciary Management
- ◆ Grants Administration
- ◆ Problem Solving / Resolution
- ◆ Change Management and Implementation
- ◆ Data Analysis and Performance Metrics
- ◆ Marketing and Outreach
- ◆ Supplier and Contractor Relationships
- ◆ Staff Development / Mentorship
- ◆ Interpersonal Relationship Development
- ◆ Increasing Use of Technology Solutions
- ◆ Community Growth Champion

Professional Experience

CITY OF NASHUA, NASHUA TRANSIT SYSTEM

2021 – present, Transit Administrator

Overall primary responsibility for NTS System administration including management of 9 staff members and Contractor responsible for the Driver Operators and Dispatch staff.

- Responsible for effectiveness oversight and regulatory compliance of training programs, standard operating procedures, safety programs, authority procurement policies and programs, drug and alcohol program, transit asset management program, Americans with Disabilities Act (ADA), Title VI, and Disadvantaged Business Enterprise (DBE).
- Responsible for overall administration, monitoring, regulatory compliance, and reporting of the authority grants program including Federal Transit Administration, New Hampshire Department of Transportation, and Local Municipal funding sources.
- Responsible for development, monitoring, and reporting of service key performance indicators including safety and operational performance, financial, maintenance, and training programs.
- Responsible for all public communication, marketing, outreach, and involvement programs including the transit advisory board, website development, service marketing, radio and print advertisements, and social media presence.

WESTERN PIEDMONT REGIONAL TRANSIT AUTHORITY, HICKORY, NC

2008 – 2021, Executive Director, 2013-2021

Overall primary responsibility for authority system administration including management of 90 staff members (4 senior management staff) with sole direct reporting to the authority board of directors.

- Responsible for effectiveness oversight and regulatory compliance of training programs, standard operating procedures, safety programs, authority procurement policies and programs, drug and alcohol program, transit asset management program, Americans with Disabilities Act (ADA), Title VI, and Disadvantaged Business Enterprise (DBE).
- Responsible for overall administration, monitoring, regulatory compliance, and reporting of the authority grants program including Federal Transit Administration, North Carolina Department of Transportation, and Local Municipal funding sources.
- Responsible for development, monitoring, and reporting of service key performance indicators including safety and operational performance, financial, maintenance, and training programs.
- Responsible for all public communication, outreach, and involvement programs including the transit advisory board, website development, service marketing, radio and print advertisements, and social media presence.

BURKE COUNTY TRANSIT ADMINISTRATION, MORGANTON, NC

Executive Director, 2004-2008

Overall primary responsibility for non-profit system administration including management of 25 staff members (4 senior management staff) with sole direct reporting to the board of directors and county commissioners.

- Responsible for development, monitoring, and continual regulatory compliance of training programs, safety programs, operational and personnel procedures, procurement program, drug and alcohol surveillance program, and transit asset management program.
- Responsible for management and oversight of contracted vehicle maintenance services.
- Responsible for implementation and administration of the NC State Department of Transportation Rural Operating Assistance Program (ROAP) including Medicaid transportation coordination with contracted parties and partner county agencies, Out of County medical transportation, in compliance with the Americans with Disabilities Act (ADA) and Title VI.
- Responsible for preparation and submission of statistical data and compliance reports supporting grants awarded by the Federal Transit Administration, North Carolina Department of Transportation, and Local Municipal funding sources.
- Responsible for development of the community outreach and involvement and marketing programs to increase ridership and citizen awareness of the benefits of public transportation. Implemented rider training program to encourage citizens to experience public transit.
- Responsible for serving as the Burke County representative in the planning and development of the Western Piedmont Regional Transit Authority.

WILSON COUNTY TRANSPORTATION SYSTEM, WILSON, NC

Transportation Coordinator, 2001-2004

Overall responsibility for Transportation System Administration including management of all contracted services, reporting to the Planning Director.

- Responsible for preparation and submission of statistical data and compliance reports supporting Rural Operating Assistance Programs, Federal Transit Administration and North Carolina Department of Transportation.
- Directly responsible for coordination and oversight of Paratransit, Medicaid, Nutrition, and Out of County medical transportation services.
- Coordinated preventative maintenance program and provided direct customer service including resolution of complaints.

Education

GONZAGA UNIVERSITY, SPOKANE, WA

Bachelor of Science, May 1995

Additional Skills

- ◆ Proficient in Microsoft Office
- ◆ Proficient in QuickBooks
- ◆ Transportation Scheduling Software including RouteMatch and CTS
- ◆ Fleet / Asset Management Software / AVL

Professional Memberships and Awards

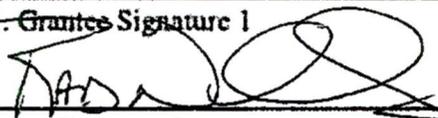
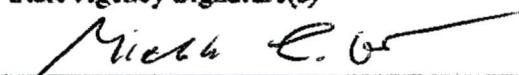
- ◆ President of the North Carolina Public Transportation Association (2017 – 2021)
- ◆ Board Member and Committee Chair of the North Carolina Public Transportation Association (2007 – 2021)
- ◆ Board Member Greater Hickory Metropolitan Transportation Advisory Committee (2014 – 2021)
- ◆ Member of the Project Management Institute (2018 – present)
- ◆ NC Department of Transportation Western Transportation Director Award (2014)
- ◆ NC Public Transportation Leadership Award (multiple years)

GRANT AGREEMENT

The State of New Hampshire and the Grantee hereby Mutually agree as follows:

GENERAL PROVISIONS

1. Identification and Definitions.

1.1. State Agency Name NH Department of Transportation		1.2. State Agency Address PO Box 483 & Hazen Dr. Concord, NH 03302-0483	
1.3. Grantee Name Cooperative Alliance for Seacoast Transportation DBA: COAST		1.4. Grantee Address 42 Sumner Drive, Dover, NH 03820-5451	
1.5 Grantee Phone # 603-743-5777	1.6. Account Number 04-98-98-984010-2916-0 73-509074	1.7. Completion Date June 30, 2027	1.8. Grant Limitation \$894,542
1.9. Grant Officer for State Agency Frederick Butler, Public Transportation Administrator, Bureau of Rail & Transit		1.10. State Agency Telephone Number 603-271-2565	
If Grantee is a municipality or village district: "By signing this form we certify that we have complied with any public meeting requirement for acceptance of this grant, including if applicable RSA 31:95-b."			
1.11. Grantee Signature 1 		1.12. Name & Title of Grantee Signor 1 Ron Nickas, Executive Director	
Grantee Signature 2 N/A		Name & Title of Grantee Signor 2 N/A	
Grantee Signature 3 N/A		Name & Title of Grantee Signor 3 N/A	
1.13 State Agency Signature(s) 		1.14. Name & Title of State Agency Signor(s) Michelle Winters, Deputy Commissioner	
1.16. Approval by Attorney General (Form, Substance and Execution) (if G & C approval required)			
By:  Assistant Attorney General, On: 10/26/25			
1.16. Approval by Governor and Council (if applicable)			
By: _____ On: _____			

2. SCOPE OF WORK: In exchange for grant funds provided by the State of New Hampshire, acting through the Agency identified in block 1.1 (hereinafter referred to as "the State"), the Grantee identified in block 1.3 (hereinafter referred to as "the Grantee"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT B (the scope of work being hereinafter referred to as "the Project").

Contractor Initials Ren
 Date 10/27/25

3. **AREA COVERED.** Except as otherwise specifically provided for herein, the Grantee shall perform the Project in, and with respect to, the State of New Hampshire.
4. **EFFECTIVE DATE: COMPLETION OF PROJECT.**
- 4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire if required (block 1.16), or upon signature by the State Agency as shown in block 1.14 ("the Effective Date").
- 4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.7 (hereinafter referred to as "the Completion Date").
5. **GRANT AMOUNT: LIMITATION ON AMOUNT: VOUCHERS: PAYMENT.**
- 5.1. The Grant Amount is identified and more particularly described in EXHIBIT C, attached hereto.
- 5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT C.
- 5.3. In accordance with the provisions set forth in EXHIBIT C, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.
- 5.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.
- 5.5. Notwithstanding anything 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 Grant limitation set forth in block 1.8 of these general provisions.
6. **COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS.** In connection with the performance of the Project, the Grantee shall comply with all statutes, laws regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Grantee, including the acquisition of any and all necessary permits and RSA 31-95-b.
7. **RECORDS and ACCOUNTS.**
- 7.1. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency, the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.
- 7.2. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency pursuant to subparagraph 7.1, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in block 1.3 of these provisions
8. **PERSONNEL.**
- 8.1. The Grantee shall, at its own expense, provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.
- 8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.
- 8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.
9. **DATA: RETENTION OF DATA: ACCESS.**
- 9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, paper, and documents, all whether finished or unfinished.
- 9.2. Between the Effective Date and the Completion Date the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.
- 9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State.
- 9.4. On and after the Effective Date 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, whichever shall first occur.
- 9.5. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.
10. **CONDITIONAL NATURE OR AGREEMENT.** Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.
11. **EVENT OF DEFAULT: REMEDIES.**
- 11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):
 - 11.1.1 Failure to perform the Project satisfactorily or on schedule; or
 - 11.1.2 Failure to submit any report required hereunder; or
 - 11.1.3 Failure to maintain, or permit access to, the records required hereunder; or
 - 11.1.4 Failure to perform any of the other covenants and conditions of this Agreement.
- 11.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
 - 11.2.1 Give the Grantee 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 Grantee notice of termination; and
 - 11.2.2 Give the Grantee 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 Grant Amount which would otherwise accrue to the Grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and
 - 11.2.3 Set off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and
 - 11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity, or both.
12. **TERMINATION.**
- 12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.
- 12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligations hereunder.
- 12.3. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice default has been given to the Grantee hereunder, the Grantee, may terminate this Agreement without cause upon thirty (30) days written notice.
- 12.4. **CONFLICT OF INTEREST.** No officer, member of employee of the Grantee, and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or

Contractor Initials
 Date 11/27/25

- approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.
14. **GRANTEE'S RELATION TO THE STATE.** In the performance of this Agreement the Grantee, its employees, and any subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.
15. **ASSIGNMENT AND SUBCONTRACTS.** The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Grantee other than as set forth in Exhibit B without the prior written consent of the State.
16. **INDEMNIFICATION.** The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or subcontractor, or subgrantee or other agent of the Grantee. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.
17. **INSURANCE.**
- 17.1 The Grantee shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:
- 17.1.1 Statutory workers' compensation and employees liability insurance for all employees engaged in the performance of the Project, and
- 17.1.2 General liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury or death any one incident, and \$500,000 for property damage in any one incident; and
- 17.2. The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Grantee shall furnish to the State, certificates of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy.
18. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure of waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Grantee.
19. **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 first above given.
20. **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 Council of the State of New Hampshire, if required or by the signing State Agency.
21. **CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intent of the parties hereto.
22. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.
23. **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 relating hereto.
24. **SPECIAL PROVISIONS.** The additional or modifying provisions set forth in Exhibit A hereto are incorporated as part of this agreement.

Contractor Initials REN
 Date 8/27/18

EXHIBITS TO AGREEMENT

EXHIBIT A Special Provisions

EXHIBIT B Scope of Services

EXHIBIT C Budget

Certificate of Good Standing

Certificate of Corporate Vote

Certificate of Insurance

Social Service Documents to Include:

501 (c)

Financial Report

Board of Directors

Key Personnel and Salaries

Resumes

EXHIBIT A
SPECIAL PROVISIONS

There are no modifications, deletions, or additions to the General Provisions in Form G-1.

EXHIBIT B
SCOPE OF SERVICES

B.1 Cooperative Alliance for Seacoast Transportation (COAST), (hereinafter the "Grantee") shall follow the terms and conditions applicable to State Operating Match funds, put forth through the New Hampshire Department of Transportation, 7 Hazen Drive, Concord, NH 03302-0483 (hereinafter referred to as the "State"), as follows:

1.1 State funds shall be used to provide a portion of the non-federal funds required to match Federal Transit Administration (FTA) operating funds for public transportation services provided by the Grantee, which are further detailed on the Grantee's website.

1.2 State Operating Match funds will be provided by the State as shown in Exhibit C; Budget.

**EXHIBIT C
BUDGET**

C.1 The Grant Limitation, as defined in G-1, Section 1.8 of the Agreement, are respective of State Operating Match funds and is granted as follows:

State Operating Match	FY 2026	FY 2027
Cooperative Alliance for Seacoast Transportation d/b/a COAST	\$347,271	\$347,271
Total Two-Year State Operating Match	\$694,542	

1.1 Funds are contingent upon State appropriations.

C.2 Reimbursement of State Operating Match shall be requested via monthly invoices to the State until Operating Funds are fully expended.

C.3 The Grantee's submitted invoices shall indicate the month(s) for which the State Operating Match is being applied and the amount of Federal Transit Administration (FTA) funds the State Operating Match is leveraging, and the FTA grant program from which the Grantee will draw down the FTA funds.

CERTIFICATE OF GOOD STANDING EXEMPTION

Cooperative Alliance for Seacoast Transportation (COAST) is exempt from providing a Certificate of Good Standing per RSA 239:2.

TITLE XX TRANSPORTATION

CHAPTER 239 COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION

Section 239:2

239:2 Cooperative Alliance for Seacoast Transportation Established. – There is hereby established a public body corporate and politic having a distinct legal existence separate from the state and not constituting a department or agency of the state government to be known as the Cooperative Alliance for Seacoast Transportation, also known as COAST. The public purpose of COAST is to acquire, own, and operate or cause to be operated a regional mass transportation system.

Source. 1985, 185:1, eff. July 27, 1985.



CORPORATE RESOLUTION

I, DENNIS SHANAHAN (name), hereby certify that I am a duly elected Officer of the Cooperative Alliance for Seacoast Transportation (COAST). I hereby certify the following is a true copy of a vote taken at a meeting of the duly authorized meeting of the Board of Directors, duly called and held on August 27, 2025, at which a quorum was present and voting.

VOTED: That **Rad Nichols, Executive Director** is duly authorized to enter into contracts or agreements on behalf of COAST 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 affect 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 listed above currently occupy the position indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of the listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Date: AUG 27, 2025

Attest: 
Signature

Dennis Shanahan, Chairman of the Board
Name & Title



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/02/2025

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

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

PRODUCER Cross Insurance-Manchester 1100 Elm Street Manchester NH 03101	CONTACT NAME: Kari Lee PHONE (A/C, No, Ext): (603) 669-3218 E-MAIL ADDRESS: kari.lee@crossagency.com	FAX (A/C, No): (603) 645-4331
	INSURER(S) AFFORDING COVERAGE	
INSURED Cooperative Alliance for Seacoast Transportation 42 Sumner Drive Dover NH 03820	INSURER A: National Interstate Ins. Co.	NAIC # 32620
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

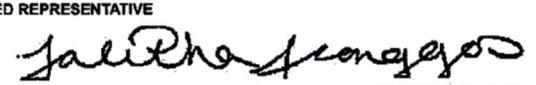
COVERAGES **CERTIFICATE NUMBER:** 25-26 ALL LIAB **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		Y	GLR024180504	10/01/2025	10/01/2026	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS - COMP/OP AGG \$ 5,000,000 Employee Benefit \$ 1,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			CAR024180504	10/01/2025	10/01/2026	COMBINED SINGLE LIMIT (Ea accident) \$ 250,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			ERXR024180504	10/01/2025	10/01/2026	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ \$ PER STATUTE OTH-ER
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N	N/A			E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Excess Auto Liability			DDX024180504	10/01/2025	10/01/2026	Limit 4,750,000

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

Public Officials Liability
 POL0951406-07
 10/1/24 - 10/01/25
 Indian Harbor Insurance Co
 Limit: \$1,000,000

CERTIFICATE HOLDER NHDOT, Bureau of Rail and Transit Attn: Paula Bennett 7 Hazen Drive, PO Box 483 Concord NH 03302-0483	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 



ADDITIONAL REMARKS SCHEDULE

AGENCY Cross Insurance-Manchester		NAMED INSURED Cooperative Alliance for Seacoast Transportation	
POLICY NUMBER			
CARRIER	NAIC CODE	EFFECTIVE DATE:	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 **FORM TITLE:** Certificate of Liability Insurance

Abuse & Molestation Liability
 SML02281A25
 10/01/2025 - 10/01/26
 Lloyd's of London
 Limit: \$1,000,000

NHDOT is included as additional insured with respects to CGL as required by written contract with named insured.

Additional Named Insureds

Other Named Insureds

COAST

Doing Business As

ADDITIONAL COVERAGES

Ref #	Description Collision - PPT	Coverage Code	Form No.	Edition Date	
Limit 1	Limit 2	Limit 3	Deductible Amount 1,000	Deductible Type	Premium
Ref #	Description Medical payments	Coverage Code MEDPM	Form No.	Edition Date	
Limit 1 5,000	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium \$1,093.00
Ref #	Description Uninsured motorist combined single limit	Coverage Code UMCSL	Form No.	Edition Date	
Limit 1 250,000	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium \$852.00
Ref #	Description Follow Form Excess Liability	Coverage Code	Form No.	Edition Date	
Limit 1 5,000,000	Limit 2 5,000,000	Limit 3	Deductible Amount	Deductible Type	Premium
Ref #	Description	Coverage Code	Form No.	Edition Date	
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium
Ref #	Description	Coverage Code	Form No.	Edition Date	
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium
Ref #	Description	Coverage Code	Form No.	Edition Date	
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium
Ref #	Description	Coverage Code	Form No.	Edition Date	
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium
Ref #	Description	Coverage Code	Form No.	Edition Date	
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium
Ref #	Description	Coverage Code	Form No.	Edition Date	
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium
Ref #	Description	Coverage Code	Form No.	Edition Date	
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium



P.O. Box 3898
 Concord, NH 03302-3898
 (603) 224-7337

CERTIFICATE OF INSURANCE

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

This is to certify that: Cooperative Alliance for Seacoast Transportation **Certificate #:** 4
 42 Sumner Drive
 Dover, NH 03820

Is, at the issue date of this certificate, insured by the Company, under the policy(ies) listed below. The insurance afforded by the listed policy(ies) is subject to all their terms, exclusions and conditions and is not altered by any requirement, term or condition or other document with respect to which this certificate may be issued.

COVERAGE AFFORDED UNDER WC LAW OF THE FOLLOWING STATE: NH

TYPE OF POLICY	EXP DATE	POLICY NUMBER	LIMIT OF LIABILITY	
	Continuous*			
	Extended			
	Policy Term			
Workers' Compensation Any Proprietor/Partner/Executive Officer/Member Excluded? Yes: <input type="checkbox"/> If yes, describe under Description of Operations below	01/01/2025-01/01/2026	P000843NHMTA2025	Bodily Injury By Accident	\$1,000,000
			Bodily Injury by Disease Policy Limit	\$1,000,000
			Bodily Injury by Disease Each Person	\$1,000,000
Description of Operations:				
ADDITIONAL COMMENTS:				

*If the certificate expiration date is continuous or extended term, you will be notified if coverage is terminated or reduced before the certificate expiration date.

NOTICE OF CANCELLATION: (Not applicable unless a number of days is entered below.) Before the stated expiration date, the company will not cancel or reduce the insurance afforded under the above policies until at least 30 days. Notice of such cancellation has been mailed to:

NH MOTOR TRANSPORT ASSOCIATION SELF-INSURANCE GROUP TRUST

NHDOT, Bureau of Rail and Transit
 Attn: Paula Devens, Transit Grants
 Coordinator
 7 Hazen Drive, PO Box 48
 Concord, NH 03302

Authorized Representative

Concord, NH
 Office

603-224-7337
 Phone Number

11/18/2024
 Date Issued

NONPROFIT COVER SHEET

A. Entity Name: Cooperative Alliance For Seacoast Transportation (COAST)

B. Entity's Contact Information:

For Records Requests (e.g., resumes of key personnel; audited financial statements):

Name / Phone / Email: Rad Nichols, 603-743-5777 x 100, rnichols@coastbus.org

Person responsible for Accuracy and Completeness of information provided:

Name: Rad Nichols Title: Executive Director

Signature: 

C. List Board of Directors and Affiliations

<u>Name (Identify any additional role(s) in Parentheses)</u>	<u>Affiliations</u>
E.g., John Doe (President)	
Dennis Shanahan (Chair)	City of Dover
Currently Vacant (Vice Chair)	
Scott Bogle (Treasurer)	Rockingham Planning Commission
Margaret Joyce (Secretary)	Area Chamber of Commerce
Dave Sandmann (Past Chair)	At-Large
Fred Butler (Member)	NH DOT Bureau of Rail and Transit
Arthur Capello (Member)	Town of Berwick
Sean Clancy (Member)	City of Portsmouth
Sönke Dornblut (Member)	Town of Newmarket
Jason Garnham (Member)	Town of Kittery
Emily Ham (Member)	Workforce Housing Coalition of the Greater Seacoast
Denis Hebert (Member)	Town of Newington
Colin Lentz (Member)	Strafford Regional Planning Commission
Michael Mates (Member)	Pease Development Authority
Joann Neumann (Member)	Families First Health and Support Center
Crystal Paradis-Catanzaro (Member)	City of Somersworth
David Tovey (Member)	Town of Exeter
Kiersten Wright (Member)	City of Rochester

D. List Key Personnel (Resumes must be available upon request to the person(s) listed in section B or may be attached):

<u>Name</u>	<u>Role</u>	<u>Annual Salary</u>	<u>Amount Paid From This Contract</u>
Rad Nichols	Executive Director	\$150,238	\$6,458 (4.3%)

DISCLOSURE OF LEGAL ACTIVITIES INVOLVING THE STATE OF NEW HAMPSHIRE OR ANOTHER GOVERNMENT ENTITY

E. Check one of the following:

- [X] The entity is **not currently or has not been** party to any legal proceedings involving the State of New Hampshire (or any agency or subdivision thereof) or any other state/federal government entity before any adjudicative body in any jurisdiction **OR**
 - [] The entity is or has been party to one or more legal proceedings as set forth above. Identify the jurisdiction, court or other adjudicative body, case number, and briefly describe the nature of the proceeding (Attached extra sheet if necessary).
-
-
-

CHARITABLE TRUSTS UNIT COMPLIANCE CERTIFICATION

F. Check one of the following:

- [X] is registered and in good standing with the New Hampshire Department of Justice Charitable Trusts Unit (** see note below) **or** has submitted a complete application for registration to the Charitable Trusts Unit and is awaiting a registration determination **OR**
- [] is not required to register with the Charitable Trusts Unit because it is neither tax-exempt under section 501(c)(3) of the Internal Revenue Code nor engages in charitable solicitations in the State of New Hampshire **OR**
- [] is exempt from registration with the Charitable Trusts Unit because it is a federal or state government, agency, or subdivision or is a religious organization, an integrated auxiliary of a religious organization, or is a convention or association of churches.

** Note: Attached screen shot from the DOJ Registered Charities List found at:

<https://mm.nh.gov/files/uploads/doj/remote-docs/registered-charities.pdf>

FINANCIAL DISCLOSURES

G. Check one the following:

- [X] The organization hired an outside firm to audit its financial statements or to prepare GAAP-compliant financial statements for its most recently completed fiscal year. If so, please ensure that the financial statements and audit results are available to be requested from the contact listed on Page 1 (audited financials may be attached) OR
- [] The above does not apply, but the organization filed an IRS Form 990 or Form 990-EZ for its most recently completed fiscal year. Please attach that IRS Form 990 or Form 990-EZ to the submission. (Form 990 Schedule B is not required) **OR**
- [] ***If neither of the above apply***, complete the Income Statement and Balance Sheet below with the following basic financial information from the organization's most recently completed fiscal year:

1. INCOME STATEMENT

	<u>Revenue</u>		<u>Expenses</u>
<i>Grants</i>	\$	<i>Compensation of officers, directors, and key personnel</i>	\$
<i>Donations</i>	\$		
<i>Program Services Revenue</i>	\$	<i>Other salaries & wages</i>	\$
<i>Interest & Dividends</i>	\$	<i>Payroll taxes & employee benefits</i>	\$
<i>All other Revenue</i>	\$	<i>Occupancy, rent, utilities, and insurance</i>	\$
<u>Total Revenue</u>	\$	<i>Printing, publications, postage, office supplies, and IT</i>	\$
		<i>All other expenses</i>	\$
		<u>Total Expenses</u>	\$

2. BALANCE SHEET

<u>Assets</u>		<u>Liabilities</u>	
<i>Cash & Equivalents</i>	\$	<i>Accounts Payable</i>	\$
<i>Investments</i>	\$	<i>Loans Payable</i>	\$
<i>Real Estate (less any depreciation)</i>	\$	<i>All other liabilities</i>	\$
<i>Other Property & Equipment (less any depreciation)</i>	\$	<u>Total Liabilities</u>	\$
<i>Pledges, grants, accounts receivable</i>	\$		
<i>All other assets</i>	\$		
<u>Total Assets</u>	\$		

Internal Revenue Service

Department of the Treasury

Attachment #17

District 5310 RCC Grant SFY22/23
 Director COAST/ACT

P.O. Box 1680, GPO Brooklyn, N.Y. 11202

Date: OCT 01 1984

Cooperative Alliance for Seacoast
 Transportation
 1 Water Street
 Exeter, NH 03833

Employer Identification Number:
 02-0362579
 Our Letter Dated:
 August 31, 1982
 Person to Contact:
 H. Lawrence
 Contact Telephone Number:
 (617) 223-6434

Gentlemen:

This modifies our letter of the above date in which we stated that you would be treated as an organization which is not a private foundation until the expiration of your advance ruling period.

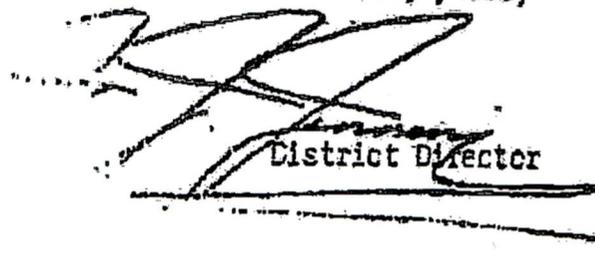
Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Internal Revenue Code, because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi). Your exempt status under section 501(c)(3) of the Code is still in effect.

Grantors and contributors may rely on this determination until the Internal Revenue Service publishes notice to the contrary. However, a grantor or a contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 170(b)(1)(A)(vi) status, or acquired knowledge that the Internal Revenue Service has given notice that you would be removed from classification as a section 170(b)(1)(A)(vi) organization.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



District Director

cc:

**COOPERATIVE ALLIANCE
FOR SEACOAST TRANSPORTATION**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

**FOR THE YEARS ENDED
SEPTEMBER 30, 2024 AND 2023**

**COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statements of Activities	5
Statement of Functional Expenses, 2024	6
Statement of Functional Expenses, 2023	7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 14
SUPPLEMENTAL DATA	
Grant Expenditures - Operating Grants	15
Grant Expenditures - Other Grants	16
Grant Expenditures - Capital Grants	17

PROFESSIONAL ASSOCIATION

*Ninety Eight Salmon Street
Manchester, New Hampshire 03104*

TRICK G. BRIGGS, JR., CPA
BBY T. DAWSON, CPA
HILARY A. PAUL, CPA

TELEPHONE: 603-668-1340
FAX 603-668-8751
WWW.FGBRIGGSJRCPA.COM

MEMBERS OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
MEMBER FIRM OF AICPA
PRIVATE COMPANIES
PRACTICE SECTION

INDEPENDENT AUDITOR'S REPORT

January 20, 2025

To the Board of Directors
of the Cooperative Alliance for Seacoast Transportation

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Cooperative Alliance for Seacoast Transportation (a nonprofit organization), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Cooperative Alliance for Seacoast Transportation as of September 30, 2024 and 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Cooperative Alliance for Seacoast Transportation 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 opinions.

Responsibilities of Management 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 the Cooperative Alliance for Seacoast Transportation'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 and *Government 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 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.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 the Cooperative Alliance for Seacoast Transportation'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 the Cooperative Alliance for Seacoast Transportation'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of grant expenditures 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 schedules of grant expenditures are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2025, on our consideration of the Cooperative Alliance for Seacoast Transportation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cooperative Alliance for Seacoast Transportation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cooperative Alliance for Seacoast Transportation's internal control over financial reporting and compliance.

F. G. Briggs, Jr., CPA
Professional Association

COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND 2023

ASSETS

	2024	2023
Assets		
Cash	\$ 2,610,218	\$ 1,876,290
Certificates of deposit	981,237	410,746
Accounts receivable - grants	379,185	1,112,730
Accounts receivable - other	46,576	73,898
Prepaid expenses	43,316	50,019
Inventories	84,568	103,058
Structures and equipment, net	4,044,813	3,966,282
TOTAL ASSETS	\$ 8,189,913	\$ 7,593,023

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 95,265	\$ 146,452
Accrued expenses	385,655	315,415
Refundable advances	79,476	95,034
TOTAL LIABILITIES	560,396	556,901
Net Assets		
Net assets without donor restrictions	7,514,417	7,036,122
Net assets with donor restrictions	115,100	-
Total Net Assets	7,629,517	7,036,122
TOTAL LIABILITIES AND NET ASSETS	\$ 8,189,913	\$ 7,593,023

See Notes to Financial Statements

COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support		
Federal and state grants - operating and planning	\$ 5,217,616	\$ 5,037,742
State and local contributions - operating and planning	1,833,455	1,679,204
Ridership revenue	416,523	331,728
Advertising revenue	158,551	274,619
Noncash contributions	3,000	17,632
Other revenue	29,087	11,313
Interest income	45,667	25,358
Total Without Donor Restrictions Support	<u>7,703,899</u>	<u>7,377,596</u>
Expenses		
Program	6,458,073	5,707,551
Administration	1,372,261	1,338,722
Fundraising	129,361	30,631
Total Expenses	<u>7,959,695</u>	<u>7,076,904</u>
Change in Net Assets from Operations	<u>(255,796)</u>	<u>300,692</u>
Other Changes		
Federal grants - capital	676,941	326,338
Local match - capital	57,150	-
Total Other Changes	<u>734,091</u>	<u>326,338</u>
Change in Net Assets Without Donor Restrictions	<u>478,295</u>	<u>627,030</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Support		
Local contributions	<u>115,100</u>	-
Total With Donor Restrictions Support	<u>115,100</u>	-
Change in Net Assets	<u>593,395</u>	<u>627,030</u>
Net Assets, Beginning of Year	<u>7,036,122</u>	<u>6,409,092</u>
Net Assets, End of Year	<u>\$ 7,629,517</u>	<u>\$ 7,036,122</u>

See Notes to Financial Statements

COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Transit	Maintenance	Other Program	Total Program	Admin- istration	Fund- raising	Total Supporting Services	Total Expenses
Drivers' salaries	\$ 1,774,440	\$ -	\$ -	\$ 1,774,440	\$ -	\$ -	\$ -	\$ 1,774,440
Operations and administrative salaries	993,149	370,051	238,852	1,602,052	469,754	55,223	524,977	2,127,029
Payroll taxes	199,552	27,023	17,700	244,275	33,958	3,737	37,695	281,970
Benefits	692,120	103,005	55,447	850,572	120,027	13,550	133,577	984,149
Insurance and other fees	31,845	3,951	-	35,796	532,593	-	532,593	568,389
Advertising	12,749	-	1,408	14,157	71,056	-	71,056	85,213
Consulting services	3,234	-	2,943	6,177	44,772	-	44,772	50,949
Mechanical services	-	16,196	-	16,196	-	-	-	16,196
Other services	32,126	26,370	182,969	241,465	21,769	31,014	52,783	294,248
Facilities cleaning	4,386	50,988	-	55,374	-	-	-	55,374
Fuel/oil	512,720	-	-	512,720	-	-	-	512,720
Tires, parts and supplies	49,601	188,023	-	237,624	-	-	-	237,624
Occupancy	-	36,509	14,884	51,393	21,420	9,180	30,600	81,993
Dues and subscriptions	1,030	-	-	1,030	6,759	-	6,759	7,789
Travel and training	137	-	190	327	5,841	-	5,841	6,168
Telephone	14,897	1,937	-	16,834	5,727	-	5,727	22,561
Office supplies	59,498	11,341	13,845	84,684	35,059	16,657	51,716	136,400
Depreciation	696,431	16,526	-	712,957	3,526	-	3,526	716,483
Total Expenditures	<u>\$ 5,077,915</u>	<u>\$ 851,920</u>	<u>\$ 528,238</u>	<u>\$ 6,458,073</u>	<u>\$ 1,372,261</u>	<u>\$ 129,361</u>	<u>\$ 1,501,622</u>	<u>\$ 7,959,695</u>

See Notes to Financial Statements

COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Transit</u>	<u>Maintenance</u>	<u>Other Program</u>	<u>Total Program</u>	<u>Admin- istration</u>	<u>Fund- raising</u>	<u>Total Supporting Services</u>	<u>Total Expenses</u>
Drivers' salaries	\$ 1,489,951	\$ -	\$ -	\$ 1,489,951	\$ -	\$ -	\$ -	\$ 1,489,951
Operations and administrative salaries	885,284	353,921	226,574	1,465,779	477,027	18,897	495,924	1,961,703
Payroll taxes	173,888	27,093	16,559	217,540	32,659	1,446	34,105	251,645
Benefits	575,642	96,528	51,798	723,968	127,804	4,994	132,798	856,766
Insurance and other fees	32,541	3,928	-	36,469	472,778	-	472,778	509,247
Advertising	6,085	-	2,347	8,432	113,336	-	113,336	121,768
Consulting services	4,169	-	1,440	5,609	34,484	-	34,484	40,093
Mechanical services	-	51,737	-	51,737	-	-	-	51,737
Other services	38,488	6,600	188,265	233,353	18,501	-	18,501	251,854
Facilities cleaning	-	20,688	-	20,688	-	-	-	20,688
Fuel/oil	520,320	-	-	520,320	-	-	-	520,320
Tires, parts and supplies	46,606	120,040	-	166,646	-	-	-	166,646
Occupancy	-	54,097	15,019	69,116	26,928	3,672	30,600	99,716
Dues and subscriptions	975	-	-	975	7,112	-	7,112	8,087
Travel and training	2,392	230	600	3,222	8,854	-	8,854	12,076
Telephone	15,727	1,968	-	17,695	5,634	-	5,634	23,329
Office supplies	24,844	2,350	3,315	30,509	11,893	1,622	13,515	44,024
Depreciation	633,256	12,286	-	645,542	1,712	-	1,712	647,254
Total Expenditures	<u>\$ 4,450,168</u>	<u>\$ 751,466</u>	<u>\$ 505,917</u>	<u>\$ 5,707,551</u>	<u>\$ 1,338,722</u>	<u>\$ 30,631</u>	<u>\$ 1,369,353</u>	<u>\$ 7,076,904</u>

See Notes to Financial Statements

COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
Cash Flows From Operating Activities		
Change in net assets	\$ 593,395	\$ 627,030
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	716,483	647,254
(Gain) loss on disposal of assets	(23,688)	(6,365)
(Increase) decrease in accounts receivable	760,868	(515,391)
(Increase) decrease in inventories	18,490	3,311
(Increase) decrease in prepaid expense	6,703	(4,170)
Increase (decrease) in accounts payable	(51,187)	(76,146)
Increase (decrease) in accrued expenses	70,240	12,712
Increase (decrease) in refundable advances	(15,558)	16,062
Total Adjustments	1,482,351	77,267
Net cash provided by operating activities	2,075,746	704,297
Cash Flows For Investing Activities		
(Investment in) redemption of certificates of deposit	(570,491)	(410,746)
Payments for the purchase of property and equipment	(795,015)	(399,389)
Proceeds from the disposition of assets	23,688	6,365
Net cash used for investing activities	(1,341,818)	(803,770)
Net increase in cash	733,928	(99,473)
Cash, beginning of year	1,876,290	1,975,763
Cash, end of year	\$ 2,610,218	\$ 1,876,290

See Notes to Financial Statements

COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1: NATURE OF THE ORGANIZATION

Cooperative Alliance for Seacoast Transportation (COAST) is organized as a Public Nonprofit Corporation and was formed in 1982 to promote and provide public mass transportation for southeastern New Hampshire. The Organization provides administrative, planning, para-transit, and coordination services. COAST receives approximately 69% of its funding directly from the federal government. The balance of its funding comes from local sources, primarily municipalities served by the transit routes.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the Standards of Accounting and Financial Reporting for Not-for-Profit Organizations as promulgated by the American Institute of Certified Public Accountants. They are stated on the accrual basis and include all material accounts receivable and payable.

Financial Statement Presentation

The Organization follows the recommendation of the Financial Accounting Standards Board as applicable to not-for-profit organizations. Under these standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets, as applicable: net assets with donor restrictions or net assets without donor restrictions.

Descriptions of the two net asset categories are as follows:

Net Assets with Donor Restrictions

The part of net assets of a not-for-profit entity that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net Assets without Donor Restrictions

The part of net assets of a not-for-profit that is not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

A donor-imposed restriction is a donor stipulation (donors include other types of contributors, including makers of certain grants) that specifies a use for a contributed asset that is more specific than broad limits resulting from the following:

- a. The nature of the not-for-profit entity (NFP)
- b. The environment in which it operates
- c. The purposes specified in its articles of incorporation or bylaws or comparable documents for an unincorporated association.

COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Organization reflects all restricted revenue received and spent in the same fiscal year as revenue without donor restrictions.

Cash Equivalents

For purposes of the statement of cash flows, COAST considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Receivables

No allowance for doubtful accounts has been reflected since management believes all accounts receivable to be collectible. Accounts receivable will be considered delinquent based on the contractual terms of the agreement. COAST does not assess interest on outstanding or past-due balances.

Fixed Assets

Structures and equipment are stated at cost if purchased or fair market value if contributed. Depreciation is recorded on the straight-line method over a two to twenty-five year period. Expenditures for additions, renewals and betterments of buildings and equipment, unless of a relatively minor amount, are capitalized. Expenditures for maintenance and repairs are expensed as incurred.

Inventory

Inventory, which consists of fuel and bus parts, is stated at the lower of cost or market.

Revenue Recognition

The majority of COAST's revenue is derived from cost-reimbursable federal contracts and grants, which are conditioned upon costs of providing transit services. Amounts received are recognized as revenue when COAST has incurred expenditures in compliance with specific contract or grant performance requirements (incurring costs for providing transit services).

Income taxes

No income tax provision has been included in the financial statements of COAST since it is a not-for-profit entity exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation. COAST has analyzed its tax positions and has determined that there are no unrecognized tax obligations to record.

COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

The costs of providing various programs and supporting services are summarized on a functional basis in the statement of activities. Expenses are directly charged to the appropriate activity, where feasible. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, they may require allocation on a reasonable basis that is consistently applied. This basis included personnel cost allocations which are based on the estimates of time and effort.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and reported revenues and expenses.

Advertising

The Organization expenses advertising costs as incurred.

Reclassifications

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

NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available to meet cash needs for general expenditures within one year. The Organization's working capital and cash flows have variations during the year primarily due to the inconsistent collections of accounts receivable.

As part of the Organization's liquidity management plan, funds in excess of general requirements are invested in certificates of deposit.

Financial assets at year-end:	<u>2024</u>	<u>2023</u>
Cash and equivalents	\$ 2,610,218	\$ 1,876,290
Certificates of deposit	981,237	410,746
Accounts and grants receivable	<u>425,761</u>	<u>1,186,628</u>
Total financial assets	\$ 4,017,216	\$ 3,473,664
Donor-imposed restrictions		
Funds subject to purpose restrictions	<u>(115,100)</u>	<u>-</u>
Financial assets available for general expenditures	<u>\$ 3,902,116</u>	<u>\$ 3,473,664</u>

COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 4: CONCENTRATION OF CREDIT RISK

COAST maintains accounts with Chase Bank, First Seacoast Bank, Kennebunk Savings and Piscataqua Bank that at times exceed the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. At September 30, 2024, the bank balances for each institution totaled \$1,548,123, \$1,058,166, \$711,301 and \$269,200, respectively.

The majority of the funding for COAST is received directly from the Federal Government. Accounts receivable at September 30, 2024 includes \$277,055 from the federal Government and a total of \$102,130 from the states of New Hampshire and Maine. Accounts receivable at September 30, 2023 includes \$984,778 from the federal Government and a total of \$127,952 from the states of New Hampshire and Maine.

NOTE 5: STRUCTURES AND EQUIPMENT

Structures and equipment consist of the following components at September 30, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Structures, land and leasehold improvements	\$ 1,756,676	\$ 1,767,636
Equipment, vehicles and furniture	8,829,076	9,341,538
Amenities and miscellaneous	656,216	769,627
	<u>11,241,968</u>	<u>11,878,801</u>
Accumulated depreciation	<u>(7,197,155)</u>	<u>(7,912,519)</u>
	<u>\$ 4,044,813</u>	<u>\$ 3,966,282</u>

Included in these figures are three vehicles which are not currently used in operations by COAST. The vehicles are used by community agencies in the provision of transit services for the elderly and disabled. COAST retains the title to these vehicles and would take possession of the vehicles if these services were to cease. At September 30, 2024 and 2023, these vehicles are fully depreciated.

NOTE 6: REFUNDABLE ADVANCES

COAST recognizes conditional income from grants as services are provided and conditions are met. Funds received in advance are recorded as refundable advances.

COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 7: NET ASSETS

At fiscal year ended September 30, 2024, the Organization has \$115,100 of purpose restricted net assets: \$25,100 for a new facility, \$24,000 for website accessibility, \$38,482 for buses and \$27,518 for Route 7 On Demand service expansion.

NOTE 8: NONCASH CONTRIBUTIONS

Noncash contributions is comprised of drivers for on-demand transit services and discounted rental charges for the use of office facilities. On-demand transit services was valued at \$14,623 for the year ended September 30, 2023. Annual discounted rental charges were \$3,000 for the years ended September 30, 2024 and 2023. The value of contributed services of other volunteers is not reflected in these statements since the services did not meet the criteria for recognition.

NOTE 9: OPERATIONS

Transit operation expenditures are detailed in the Supplemental Data "Grant Expenditures - Operating Grants." Costs are recorded in accordance with the FTA as set forth in its National Transit Database Uniform System of Accounts. Reimbursement rates are 50%, 80% or 100%. Preventive maintenance and facility expenses are included in maintenance.

NOTE 10: PENSION PLAN

COAST has a SIMPLE pension plan. The organization matches employee contributions up to three percent of salaries. The cost for the years ended September 30, 2024 and 2023 were \$53,949 and \$47,069, respectively.

NOTE 11: CONTINGENT LIABILITIES

COAST receives money from the federal government under grants. Under the terms of these grants, COAST is required to use the money within the grant period for purposes specified in the grant proposals. If the expenditures of the grant were found not to be in compliance with the proposal, COAST might be required to repay the grantor's funds. The federal government also has an interest in equipment purchased with federal funds. Because specific amounts, if any, have not been determined by grantor agency audits as of September 30, 2024, no provision has been made for this contingency.

COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 12: COLLABORATION

During the year ended September 30, 2009, COAST and Stafford Network (a nonprofit organization) formed a working committee known as the Alliance for Community Transportation (ACT) for the purposes of establishing and advancing a transportation brokerage network in the area. COAST has agreed to receive grant funding and provide human resource and oversight of the Manager of Coordination Planning and Operations. COAST also provides dispatch and operational support. Expenditures for this project in the amount of \$507,128, and related revenue of \$568,482, are included in the financial statements for the year ended September 30, 2024.

NOTE 13: COMMITMENTS

Construction of New Facility Commitment

COAST is in the final design process of the construction of a new 48,000 square foot facility to house its transit operations and administrative offices. The estimated cost of the new facility is approximately \$17,350,000. Funds for the project will come from a blend of sources, including \$13,760,000 in Federal Transit Authority (FTA) capital grants, which will require \$3,590,000 in matching funds. COAST is in the process of raising the matching funds.

Through the fiscal year ended September 30, 2024, COAST has been awarded \$12,161,600 in federal grants, of which COAST has drawn down \$407,790, or 80% of its \$509,738 in related expenditures. COAST has raised a net amount of \$144,000 tax credits through the New Hampshire Community Development Finance Authority (NHCDFA) and received \$25,100 of cash contributions as part of its local match for the project.

Minibuses Commitment

At September 30, 2024, COAST is committed to purchasing the following buses: two Frontrunner low floor small buses at \$211,855 each or \$423,710 in total and four Cutaway buses at \$128,273 each or \$513,092 in total.

NOTE 14: SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 20, 2025, which is the date the financial statements were available to be issued.

SUPPLEMENTAL DATA

COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
SUPPLEMENTAL DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Grant Expenditures - Operating Grants

	<u>Transit</u>	<u>Maintenance</u>	<u>Total Operations</u>	<u>Admin- istration & Fundraising</u>	<u>Total Expenses</u>
Drivers' salaries	\$ 1,774,440	\$ -	\$ 1,774,440	\$ -	\$ 1,774,440
Operations and administrative salaries	993,149	370,051	1,363,200	524,977	1,888,177
Payroll taxes	199,552	27,023	226,575	37,695	264,270
Benefits	692,120	103,005	795,125	133,577	928,702
Insurance and other fees	31,845	3,951	35,796	532,593	568,389
Advertising	12,749	-	12,749	71,056	83,805
Consulting services	3,234	-	3,234	44,772	48,006
Mechanical services	-	16,196	16,196	-	16,196
Other services	32,126	26,370	58,496	52,783	111,279
Facilities cleaning	4,386	50,988	55,374	-	55,374
Fuel/oil	512,720	-	512,720	-	512,720
Tires, parts and supplies	49,601	188,023	237,624	-	237,624
Occupancy	-	36,509	36,509	30,600	67,109
Dues and subscriptions	1,030	-	1,030	6,759	7,789
Travel and training	137	-	137	5,841	5,978
Telephone	14,897	1,937	16,834	5,727	22,561
Office supplies	59,498	11,341	70,839	51,716	122,555
Depreciation	696,431	16,526	712,957	3,526	716,483
Total Expenditures	<u>\$ 5,077,915</u>	<u>\$ 851,920</u>	<u>\$ 5,929,835</u>	<u>\$ 1,501,622</u>	<u>\$ 7,431,457</u>

Federal Match	
NH-2020-002	\$ 11,634
NH-2021-012	1,862,870
NH-2021-015	667,945
NH-2022-003	<u>2,168,471</u>
Total Match	<u>\$ 4,710,920</u>

See Notes to Financial Statements

COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
SUPPLEMENTAL DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Grant Expenditures - Other Grants

	<u>ACT Regional Coordination</u>	<u>Financial & Strategic Planning</u>	<u>Travel Demand Management</u>	<u>Total Operations</u>
Administrative Expenditures				
Salaries	\$ -	\$ 9,605	\$ -	\$ 9,605
Payroll taxes	-	796	-	796
Advertising	195	-	-	195
Program Expenditures				
Salaries	229,247	-	-	229,247
Payroll taxes	16,904	-	-	16,904
Benefits	55,447	-	-	55,447
Advertising	1,213	-	-	1,213
Consulting services	-	-	2,943	2,943
Other services - providers	175,636	-	7,333	182,969
Occupancy	14,884	-	-	14,884
Office supplies	13,412	-	433	13,845
Travel and training	190	-	-	190
Total Expenditures	<u>\$ 507,128</u>	<u>\$ 10,401</u>	<u>\$ 10,709</u>	<u>\$ 528,238</u>

Federal Match

NH-2020-002	\$ 20,786
NH-2021-012	15,922
NH-2022-015	2,790
	<u>39,498</u>

Pass-Through State of New Hampshire

NH-1385-2019	<u>467,198</u>
--------------	----------------

Total Match

<u>\$ 506,696</u>

See Notes to Financial Statements

**COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
SUPPLEMENTAL DATA
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Grant Expenditures - Capital Grants

Capital Expenditures

Equipment	\$ 818,134
-----------	------------

Total Expenditures	<u>818,134</u>
---------------------------	-----------------------

Federal Match

NH-2021-012	\$ 44,902
-------------	-----------

NH-2022-015	<u>632,039</u>
-------------	----------------

Total Match	<u>676,941</u>
--------------------	-----------------------

See Notes to Financial Statements

**COOPERATIVE ALLIANCE
FOR SEACOAST TRANSPORTATION**

**SUPPLEMENTAL REPORTS
AND SUPPLEMENTAL SCHEDULES**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2024**

**COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
SUPPLEMENTAL REPORTS AND SUPPLEMENTAL SCHEDULES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

CONTENTS

	<u>Page</u>
SUPPLEMENTAL REPORTS	
Report on Compliance and on Internal Control - GAO Standards	1 - 2
Report on Compliance and on Internal Control - Uniform Guidance	3 - 5
 SUPPLEMENTAL SCHEDULES	
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
Summary Schedule of Prior Audit Findings	8
Schedule of Findings and Questioned Costs	9

PROFESSIONAL ASSOCIATION

*Ninety Eight Salmon Street
Manchester, New Hampshire 03104*

ERICK G. BRIGGS, JR., CPA
ABBY T. DAWSON, CPA
HILARY A. PAUL, CPA

TELEPHONE: 603-668-1340
FAX 603-668-6751
WWW.FGBRIGGSJRCPA.COM

MEMBERS OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
MEMBER FIRM OF AICPA
PRIVATE COMPANIES
PRACTICE SECTION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

January 20, 2025

To the Board of Directors
of the Cooperative Alliance for Seacoast Transportation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Cooperative Alliance for Seacoast Transportation (a nonprofit organization), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cooperative Alliance for Seacoast Transportation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative Alliance for Seacoast Transportation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative Alliance for Seacoast Transportation's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

F.G. Briggs, Jr., CPA
Professional Association

PROFESSIONAL ASSOCIATION

*Ninety Eight Salmon Street
Manchester, New Hampshire 03104*

ERICK G. BRIGGS, JR., CPA
ABBY T. DAWSON, CPA
HILARY A. PAUL, CPA

TELEPHONE: 603-668-1340
FAX 603-668-6751
WWW.FGBRIGGSJRCPA.COM

MEMBERS OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
MEMBER FIRM OF AICPA
PRIVATE COMPANIES
PRACTICE SECTION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

January 20, 2025

To the Board of Directors
of the Cooperative Alliance for Seacoast Transportation

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Cooperative Alliance for Seacoast Transportation's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Cooperative Alliance for Seacoast Transportation's major federal program for the year ended September 30, 2024. The Cooperative Alliance for Seacoast Transportation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Cooperative Alliance for Seacoast Transportation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Cooperative Alliance for Seacoast Transportation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Cooperative Alliance for Seacoast Transportation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Cooperative Alliance for Seacoast Transportation's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Cooperative Alliance for Seacoast Transportation's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Cooperative Alliance for Seacoast Transportation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Cooperative Alliance for Seacoast Transportation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Cooperative Alliance for Seacoast Transportation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative Alliance for Seacoast Transportation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Cooperative Alliance for Seacoast Transportation as of and for the year ended September 30, 2024, and have issued our report thereon dated January 20, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

F.G. Briggs, Jr., CPA
Professional Association

SUPPLEMENTAL SCHEDULES

COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

FEDERAL GRANTOR/PASS-THROUGH GRANTOR	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Sub-recipients	Federal Expenditures
Program Title				
U.S. Department of Transportation				
Direct Programs (Federal Transit Cluster)				
Federal Transit Formula - Capital Program	20.507			\$ 183,941
Federal Transit Formula - Operating Program	20.507			2,581,947
COVID 19: Federal Transit Formula - Operating Program	20.507			2,168,471
Buses and Bus Facilities Formula - Capital Program	20.526			<u>493,000</u>
Total Direct from Federal Transit (Federal Transit Cluster)				<u><u>5,427,359</u></u>
U.S. Department of Transportation				
Pass-Through Programs				
New Hampshire Department of Transportation				
Formula Operating Program	20.513	NH-1385-2019	\$ 165,249	<u>467,198</u>
Total Expenditures of Federal Awards				<u><u>\$ 5,894,557</u></u>

COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Cooperative Alliance for Seacoast Transportation under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Cooperative Alliance for Seacoast Transportation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Cooperative Alliance for Seacoast Transportation.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) The Cooperative Alliance for Seacoast Transportation has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

The Schedule of Findings and Questioned Costs for the year ended September, 30, 2023, for the Cooperative Alliance for Seacoast Transportation did not include any findings relative to federal award programs.

COOPERATIVE ALLIANCE FOR SEACOAST TRANSPORTATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Cooperative Alliance for Seacoast Transportation were prepared in accordance with GAAP.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Cooperative Alliance for Seacoast Transportation were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of internal controls over major federal award programs.
5. The auditor's report on compliance for the major federal award program for the Cooperative Alliance for Seacoast Transportation expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award program for the Cooperative Alliance for Seacoast Transportation.
7. The program tested as a major program was transit operations - the provision of bus transportation, Federal Assistance Listing number 20.500.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Cooperative Alliance for Seacoast Transportation was determined to be a low-risk auditee.

COAST BOARD OF DIRECTORS LIST - As of March 1, 2025

EXECUTIVE COMMITTEE		
Name, Title, Contact Information	Representing	Member Since
DENNIS SHANAHAN , Chair City Councilor, City of Dover	City of Dover	2018
MICHAEL SCALA , Vice Chair Director of Economic Development	City of Rochester	2020
SCOTT BOGLE , Treasurer Senior Transportation Planner	Rockingham Planning Commission	2001
MARGARET JOYCE , Secretary President, Greater Dover Chamber of Commerce	Area Chamber of Commerce	2020
DAVE SANDMANN , Past Chair At-Large Member	At-Large	2011

BOARD OF DIRECTORS		
Name, Title, Contact Information	Representing	Member Since
KENDRA AMARAL Town Manager	Town of Kittery	2020
FRED BUTLER (<i>ex-officio</i>) Public Transportation Administrator	NH DOT Bureau of Rail and Transit	2021
ARTHUR CAPELLO Town Administrator	Town of Berwick	2024
SEAN CLANCY Asst. City Manager for Economic Development	City of Portsmouth	2024
SÖNKE DORNBLUT Newmarket Resident	Town of Newmarket	2021
DENIS HEBERT Planning Board Chair	Town of Newington	2016
COLIN LENTZ Transportation Planner	Strafford Regional Planning Commission	2014
MICHAEL MATES Engineer	Pease Development Authority	2022
JOANN NEUMANN Chief Community Development Officer	Families First Health & Support Center	2022
CRYSTAL PARADIS-CATANZARO City Councilor	City of Somersworth	2024
EMILY HAM Executive Director	Workforce Housing Coalition of the Greater Seacoast	2025
DAVID TOVEY Asst. Dir., Parks & Rec. Dept.	Town of Exeter	2024

ALTERNATES TO THE BOARD OF DIRECTORS		
Name, Title, Contact Information	Representing	Member Since
DONNA BENTON Assistant City Planner	City of Dover	2015
JEN CZYSZ Executive Director	Strafford Regional Planning Commission	2018
RUSSELL DEAN Town Manager	Town of Exeter	2018
CAROL GULLA Executive Director, TASC	At-Large	2017
JILLIAN HARRIS Principal Planner	City of Portsmouth	2024
TIM ROACHE Executive Director	Rockingham Planning Commission	2018
SHELLEY WINTERS (<i>ex-officio</i>) Public Transportation Administrator	NH DOT Bureau of Rail and Transit	2013

#13 - Key Personnel

<u>Name</u>	<u>Role</u>	<u>Annual Salary</u>	<u>Amount Paid From This Contract</u>
Rad Nichols	Executive Director	\$150,238	\$0 (0.0%)

RAD C. NICHOLS

17 Stevens Way
Durham, NH 03824
(603) 868-7868

PROFESSIONAL EXPERIENCE:

Cooperative Alliance for Seacoast Transportation (COAST)
Dover, NH

Executive Director, September 2007 – Present

Interim Executive Director, June 2007 – September 2007

Manager of Operations & Planning, December 2001 – June 2007

Program Manager, September 1999 – December 2001

- Develop and implement system policies, programs, objectives and procedures in conformance with COAST Board of Directors policies and directives.
- Responsible for assuring the operation of the system in the safest, most efficient and cost-effective manner consistent with Board of Directors policies and objectives.
- Directly supervise the Director of Operations, Director of HR & Compliance, Community Transportation Manager, TMA Manager, and Bookkeeper.
- Participate in community affairs and represent the best interest of the community and COAST.
- Maintain channels of communication with City, Town, State and Federal officials and citizens who may have an impact or direct involvement with the transit system.

Senior Mass Transit Planner, Merrimack Valley Planning Commission

Haverhill, MA, November 1998 – September 1999

- Responsible for conducting multi-modal transportation planning as it relates to the more efficient and effective movement of individuals, goods and services throughout the Merrimack Valley Region.
- Assist the Merrimack Valley Regional Transit Authority (MVRTA) with short and long-range planning necessary to implement the MVRTA Strategic and Regional Mobility Plans.
- Provide additional technical assistance and analyses to the MVRTA, to include; National Transit Database data collection, assessments of compliance with federal and state certifications and assurances, identification of alternative sources of funding and monitoring compliance with ADA.
- Assist the MVRTA with the implementation of the federal Welfare to Work and the federal/state Access to Jobs initiatives. Investigate perceived and real barriers to the successful implementation of both programs and the coordination of multiple state/pseudo state agencies and contractors around the issue of successfully transitioning individuals from welfare to work.
- Conduct outreach, provide technical support, initiate analyses and provide recommendations to the MVRTA Board on the annual regional Transportation Demand Management (TDM) Program.
- Actively participate in the River Road Transportation Demand Management Association, a private non-profit coalition of employers in the River Road area of Andover, and provide technical support and coordinate activities as necessary.
- Provide technical advice, recommendations and support to the Merrimack Valley Metropolitan Planning Organization (MVMPO), MVMPO Transportation Committee and the MVRTA Technical Advisory Committee on Elderly and Disabled Transportation.

Operations Analyst, Massachusetts Bay Transportation Authority Advisory Board

Boston, MA, December 1996 - October 1998

- Monitored service performance and conducted analyses of MBTA transit operations to include: heavy and light rail, bus, trackless trolley, commuter rail, commuter boat and

paratransit.

- Initiated, researched and submitted final draft performance reports on service-related issues to the 78-member Advisory Board and its committees (Service and Commuter Rail).
- Participated in the development and evaluation of the MBTA Annual Service Plan as the Advisory Board's representative to the MBTA Service Planning Technical Advisory Committee.
- Assisted with the annual review of the MBTA operating budget.
- Actively participated in the formation of a new transit advocacy coalition, TransitWorks, formed to improve the quality and increase the use of all modes of transit in metropolitan Boston. Liaison for the Maintenance and Service and Operations sub-committees.
- Acted as the Advisory Board's representative to the Boston Metropolitan Planning Organization (MPO), Joint Regional Transportation Committee and other transportation related public meetings as required.
- Contributed to the quarterly production of the Advisory Board newsletter.

Assistant Executive Director, Cooperative Alliance for Seacoast Transportation
Durham, NH, Sept. 1993 – December 1996

- Responsible for the administration of all Federal, state and local grants awarded to COAST. Responsibilities included; acting as liaison with the FTA, NHDOT, MEDOT, USNH; applying for and administering all federal, state and local assistance programs, and; administering all certifications and compliance documents as required by federal, state and local bodies.
- Provided technical advice and recommendations to 40+ person Board of Directors on organizational efforts and responsibilities, including the execution of Board directives, community relations, contractual agreements, annual budgets, long range capital and financial planning and fundraising.
- Coordinated and/or researched special projects, including the planning and development of support for existing services and for executing new services, a new regional transportation coordination program and numerous ongoing and new capital projects.
- Actively involved in the Seacoast MPO at both the technical and policy levels.
- Developed and initiated both private and public sector involvement with COAST through the promotion of public transit services and contracting opportunities.
- Acted as COAST representative at state and local public hearings, town/city finance committee meetings, town/city meetings, regional MPO meetings and other public meetings as required.
- Responsible for serving as the Acting Executive Director during the absence of the Executive Director.

Data Conversion Specialist/Project Coordinator, East Coast Mapping, Inc.
Bedford, NH, May 1993 - Sept. 1993

- Responsible for creating digital map databases through manual and automated methods for multiple New England municipalities.
- Recorded map progression, including cartographic errors, for internal and external customers.
- Job coached, and problem solved with fellow employees.

EDUCATION:

University of New Hampshire, Durham, NH
Bachelor of Science, May 1991
Resource Economics

GPA: 3.1

HONORS: Richard A. Andrews Award

· References Available Upon Request ·

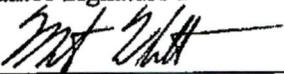
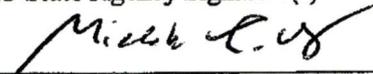
Subject: SFY 2026-2027 State Operating Match

GRANT AGREEMENT

The State of New Hampshire and the Grantee hereby
Mutually agree as follows:

GENERAL PROVISIONS

1. Identification and Definitions.

1.1. State Agency Name NH Department of Transportation		1.2. State Agency Address PO Box 483 & Hazen Dr. Concord, NH 03302-0483	
1.3. Grantee Name Manchester Transit Authority		1.4. Grantee Address 110 Elm Street	
1.5. Grantee Phone # 603-623-8801	1.6. Account Number 04-96-96-964010-2916-073 -509074	1.7. Completion Date June 30, 2027	1.8. Grant Limitation \$881,068
1.9. Grant Officer for State Agency Frederick Butler, Public Transportation Administrator, Bureau of Rail & Transit		1.10. State Agency Telephone Number 603-271-2565	
If Grantee is a municipality or village district: "By signing this form we certify that we have complied with any public meeting requirement for acceptance of this grant, including if applicable RSA 31:95-b."			
1.11. Grantee Signature 1 		1.12. Name & Title of Grantee Signor 1 Mike Whitten - Executive Director	
Grantee Signature 2 N/A		Name & Title of Grantee Signor 2 N/A	
Grantee Signature 3 N/A		Name & Title of Grantee Signor 3 N/A	
1.13. State Agency Signature(s) 		1.14. Name & Title of State Agency Signor(s) Michelle Winters, Deputy Commissioner	
1.15. Approval by Attorney General (Form, Substance and Execution) (if G & C approval required) By:  Assistant Attorney General, On: 10/27/25			
1.16. Approval by Governor and Council (if applicable) By: _____ On: _____			

2. SCOPE OF WORK: In exchange for grant funds provided by the State of New Hampshire, acting through the Agency identified in block 1.1 (hereinafter referred to as "the State"), the Grantee identified in block 1.3 (hereinafter referred to as "the Grantee"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT B (the scope of work being hereinafter referred to as "the Project").

Contractor Initials 
Date 26-Aug-2025

3. **AREA COVERED.** Except as otherwise specifically provided for herein, the Grantee shall perform the Project in, and with respect to, the State of New Hampshire.
4. **EFFECTIVE DATE: COMPLETION OF PROJECT.**
- 4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire if required (block 1.16), or upon signature by the State Agency as shown in block 1.14 ("the Effective Date").
- 4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.7 (hereinafter referred to as "the Completion Date").
5. **GRANT AMOUNT: LIMITATION ON AMOUNT: VOUCHERS: PAYMENT.**
- 5.1. The Grant Amount is identified and more particularly described in EXHIBIT C, attached hereto.
- 5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT C.
- 5.3. In accordance with the provisions set forth in EXHIBIT C, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.
- 5.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.
- 5.5. Notwithstanding anything 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 Grant limitation set forth in block 1.8 of these general provisions.
6. **COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS.** In connection with the performance of the Project, the Grantee shall comply with all statutes, laws regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Grantee, including the acquisition of any and all necessary permits and RSA 31-95-b.
7. **RECORDS and ACCOUNTS.**
- 7.1. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency, the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.
- 7.2. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency pursuant to subparagraph 7.1, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in block 1.3 of these provisions
8. **PERSONNEL.**
- 8.1. The Grantee shall, at its own expense, provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.
- 8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.
- 8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.
9. **DATA: RETENTION OF DATA: ACCESS.**
- 9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations,
- computer programs, computer printouts, notes, letters, memoranda, paper, and documents, all whether finished or unfinished.
- 9.2. Between the Effective Date and the Completion Date the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.
- 9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State.
- 9.4. On and after the Effective Date 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, whichever shall first occur.
- 9.5. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.
10. **CONDITIONAL NATURE OR AGREEMENT.** Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.
11. **EVENT OF DEFAULT: REMEDIES.**
- 11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):
- 11.1.1 Failure to perform the Project satisfactorily or on schedule; or
- 11.1.2 Failure to submit any report required hereunder; or
- 11.1.3 Failure to maintain, or permit access to, the records required hereunder; or
- 11.1.4 Failure to perform any of the other covenants and conditions of this Agreement.
- 11.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
- 11.2.1 Give the Grantee 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 Grantee notice of termination; and
- 11.2.2 Give the Grantee a written notice specifying the Event of Default and suspend all payments to be made under this Agreement and ordering that the portion of Grant Amount which would otherwise accrue to the Grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and
- 11.2.3 Set off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and
- 11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity, or both.
12. **TERMINATION.**
- 12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination.
- 12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.
- 12.3. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligations hereunder.
- 12.4. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice default has been given to the Grantee hereunder, the Grantee, may terminate this Agreement without cause upon thirty (30) days written notice.
13. **CONFLICT OF INTEREST.** No officer, member of employee of the Grantee, and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or

- approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.
- GRANTEE'S RELATION TO THE STATE.** In the performance of this Agreement the Grantee, its employees, and any subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.
15. **ASSIGNMENT AND SUBCONTRACTS.** The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Grantee other than as set forth in Exhibit B without the prior written consent of the State.
16. **INDEMNIFICATION.** The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or subcontractor, or subgrantee or other agent of the Grantee. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.
17. **INSURANCE.**
- 17.1 The Grantee shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:
- 17.1.1 Statutory workers' compensation and employees liability insurance for all employees engaged in the performance of the Project, and
- 17.1.2 General liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury or death any one incident, and \$500,000 for property damage in any one incident; and
- 17.2. The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Grantee shall furnish to the State, certificates of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy.
18. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure of waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Grantee.
19. **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 first above given.
20. **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 Council of the State of New Hampshire, if required or by the signing State Agency.
21. **CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intent of the parties hereto.
22. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.
23. **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 relating hereto.
24. **SPECIAL PROVISIONS.** The additional or modifying provisions set forth in Exhibit A hereto are incorporated as part of this agreement.

EXHIBITS TO AGREEMENT

EXHIBIT A **Special Provisions**

EXHIBIT B **Scope of Services**

EXHIBIT C **Budget**

Certificate of Good Standing

Certificate of Corporate Vote

Certificate of Insurance

Social Service Documents to Include:

Financial Report

Board of Directors

Key Personnel and Salaries

Resumes

EXHIBIT A
SPECIAL PROVISIONS

There are no modifications, deletions, or additions to the General Provisions in Form G-1.

EXHIBIT B
SCOPE OF SERVICES

B.1 Manchester Transit Authority (MTA), (hereinafter the “Grantee”) shall follow the terms and conditions applicable to State Operating Match funds, put forth through the New Hampshire Department of Transportation, 7 Hazen Drive, Concord, NH 03302-0483 (hereinafter referred to as the “State”), as follows:

1.1 State Operating Match funds shall be used to provide a portion of the non-federal funds required to match Federal Transit Administration (FTA) funds for the operation of public transportation services provided by the Grantee, which are further detailed on the Grantee’s website.

1.2 State Operating Match funds will be provided by the State as shown in Exhibit C; Budget.

**EXHIBIT C
BUDGET**

C.1 The Grant Limitation, as defined in G-1, Section 1.8 of the Agreement, are respective of State Operating Match funds and is granted as follows:

State Operating Match	FY 2026	FY 2027
Manchester Transit Authority	\$440,534	\$440,534
Total Two-Year State Operating Match	\$881,068	

- 1.1 Funds are contingent upon State appropriations for each year of the biennium.
- C.2 Reimbursement of the State Operating Match should be requested through invoices submitted to the State, no more than once a month, within the year of appropriation.
 - 2.1 The final invoice for each year of appropriation shall be submitted to the State no later than June 10th.
- C.3 The Grantee's submitted invoices shall indicate the month(s) for which the State Operating Match is being applied and the amount of Federal Transit Administration (FTA) funds the State Operating Match is leveraging, and the FTA grant program from which the Grantee will draw down the FTA funds.
 - 3.1 The Grantee shall use the Excel invoice template provided by the State for each reimbursement request.

EXHIBIT D
SPECIAL PROVISION

MANCHESTER TRANSIT AUTHORITY is exempt from providing a Certificate of Good Standing under RSA 36:4—a.

**TITLE III
TOWNS, CITIES, VILLAGE DISTRICTS, AND
UNINCORPORATED PLACES**

**CHAPTER 38-A
MUNICIPAL TRANSIT AUTHORITY**

Section 38-A:18

38-A:18 Contracts Made by the Authority. -

I. The authority shall have the power to enter into contracts and agreements which it considers to be in the interests of its public purposes with any person or persons, with any public or quasi-public corporation with any state, and with the United States and any department or agency thereof. It shall have power (here stated in illustration and not in limitation of its power), to enter into agreements for the joint use of any property and rights by the authority and by any public utility operating any transportation facilities; to enter into agreements with any public utility operating any transportation facilities either within or without the metropolitan area for the joint use of any property of the authority or public utility, or the establishment of through routes, joint fares and transfer of passengers; and to enter into agreements with any person, or public corporation or quasi-public corporation for the maintenance, servicing, storage, operation or use of any transit facility, property or equipment on such basis as shall seem to the authority consonant with its public purposes.

II. The authority may make contracts, leases and agreements with any department or agency of the United States of America or of the state of New Hampshire, or with any person or municipality or labor union, and may generally perform all acts necessary for the full exercise of the powers vested in it. The authority may acquire rolling stock or other property under conditional sales contracts, leases, equipment, trust certificates, or any other form of contract or trust agreement. Contracts may be let by an officer or employee of the authority or by the superintending corporation in such manner as may be authorized from time to time by the authority. Any revenue bond indenture may provide limitations upon the exercise of the powers stated in this section and such limitations shall apply so long as any of the revenue bonds issued pursuant to such indenture are outstanding and unpaid.

Source. 1963, 278:1. eff. Sept. 1, 1963.



Michelle Lauder, Chair
Mariana Trombley, Vice Chair
Dan Elliott
Patrick Arnold
Elyza Agosta

Mike Whitten, Executive Director

Certificate of Chairman of the Board of Commissioners
Of
Manchester Transit Authority

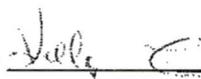
I, Michelle Lauder, do hereby certify that I am the Chairman of the Board of Commissioners of Manchester Transit Authority and that at a meeting of the Board of Commissioners of the Manchester Transit Authority which was held on June 25, 2024 the following resolutions were duly adopted by the Board of Commissioners and that said resolutions remain in full force and effect and have not been modified, amended or repealed as of the date hereof. This authorization specifically includes, but is not limited to, the FY26/27 capital and operating assistance match contracts with NHDOT, and the FFY26 FTA Certification and Assurances.

Authorization of Michael Whitten to Act on Behalf of the Manchester Transit Authority

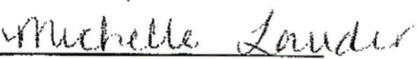
RESOLVED: That Michael Whitten, as Executive Director of the Manchester Transit Authority (the "MTA") be, as deemed appropriate by the MTA Board of Commissioners, authorized in the name and on behalf of the MTA, to take such necessary action and to negotiate, execute and deliver any and all agreements, documents, instruments, certificates and papers which he deems necessary, proper, advisable, required and in the best interest of the MTA; the signing or execution by Michael Whitten, as Executive Director of the MTA, of any instrument or the taking of any such action by him shall be conclusive evidence that he deems the same to be necessary, proper, advisable or required. Said authority of Michael Whitten shall stay in effect until such time the Board of Commissioners modifies, amends or repeals said authority in writing.

RESOLVED: That Michelle Lauder, as Chairman of the Board of the MTA, be and hereby is, authorized and directed to deliver to such persons or entities that may so request, a certificate attesting to the authority of Michael Whitten to take all necessary actions and to negotiate, execute and deliver all necessary agreements, documents, instruments, certificates and papers in the name and on behalf of the MTA as deemed appropriate by the MTA Board of Commissioners.

IN WITNESS WHEREOF, I have hereunto set my hand as Chairman of the Board of Commissioners this 26th day of August, 2025.



Witness

By: 
Michelle Lauder, Chairman of the
Board of Commissioners





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/08/2025

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

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

PRODUCER Cross Insurance-Manchester 1100 Elm Street Manchester NH 03101		CONTACT NAME: Kari Lee PHONE (A/C, No, Ext): (603) 669-3218 E-MAIL ADDRESS: manch.certs@crossagency.com		FAX (A/C, No): (603) 645-4331	
		INSURER(S) AFFORDING COVERAGE		NAIC #	
		INSURER A: Acadia Ins Co.		31325	
		INSURER B: Union Insurance Company		25844	
		INSURER C:			
		INSURER D:			
		INSURER E:			
		INSURER F:			

COVERAGES **CERTIFICATE NUMBER:** 25-26 GL, BA, & Umb **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:			CPA5480004-14	06/30/2025	06/30/2026	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY			CAA5480005-14	06/30/2025	06/30/2026	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			CUA5480006-14	06/30/2025	06/30/2026	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

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

re: Route 93 Park and Ride

CERTIFICATE HOLDER New Hampshire Department of Transportation 7 Hazen Drive Concord NH 03302	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Robin Kittle</i>
--	---

© 1988-2015 ACORD CORPORATION. All rights reserved.



CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex³) is organized under the New Hampshire Revised Statutes Annotated, Chapter 5 Pooled Risk Management Programs. In accordance with those statutes, its Trust Agreement and bylaws, Primex³ is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex³ is entitled to the categories of coverage set forth below. In addition, Primex³ may extend the same coverage to non-members. However, any coverage extended to a non-member is subject to all of the terms, conditions, exclusions, amendments, rules, policies and procedures that are applicable to the members of Primex³, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex³ Board of Trustees. The Additional Covered Party's per occurrence limit shall be deemed included in the Member's per occurrence limit, and therefore shall reduce the Member's limit of liability as set forth by the Coverage Documents and Declarations. The limit shown may have been reduced by claims paid on behalf of the member. General Liability coverage is limited to Coverage A (Personal Injury Liability) and Coverage B (Property Damage Liability) only. Coverage's C (Public Officials Errors and Omissions), D (Unfair Employment Practices), E (Employee Benefit Liability) and F (Educator's Legal Liability Claims-Made Coverage) are excluded from this provision of coverage.

The below named entity is a member in good standing of the New Hampshire Public Risk Management Exchange. The coverage provided may, however, be revised at any time by the actions of Primex³. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

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 coverage categories listed below.

<i>Participating Member:</i> Manchester Transit Authority 110 Elm Street Manchester, NH 03101		<i>Member Number:</i> 506	<i>Company Affording Coverage:</i> NH Public Risk Management Exchange - Primex ³ PO Box 23 Hooksett, NH 03106-9716	
Type of Coverage	Effective Date (mm/dd/yyyy)	Expiration Date (mm/dd/yyyy)	Limits - NH Statutory Limits May Apply, if Not	
<input type="checkbox"/> General Liability (Occurrence Form) <input type="checkbox"/> Professional Liability (describe) <input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence			Each Occurrence	
			General Aggregate	
			Fire Damage (Any one fire)	
			Med Exp (Any one person)	
<input type="checkbox"/> Automobile Liability Deductible Comp and Coll: <input type="checkbox"/> Any auto			Combined Single Limit (Each Accident)	
			Aggregate	
<input checked="" type="checkbox"/> Workers' Compensation & Employers' Liability	7/1/2025	7/1/2026	<input checked="" type="checkbox"/> Statutory	
			Each Accident	\$2,000,000
			Disease -- Each Employee	\$2,000,000
			Disease -- Policy Limit	
<input type="checkbox"/> Property (Special Risk includes Fire and Theft)			Blanket Limit, Replacement Cost (unless otherwise stated)	
Description: Proof of Primex Member coverage only.				

CERTIFICATE HOLDER:	Additional Covered Party	Loss Payee	Primex³ – NH Public Risk Management Exchange	
State of New Hampshire Department of Transportation 7 Hazen Dr Concord, NH 03301			By: <i>Mary Beth Purcell</i>	
			Date: 7/23/2025 mpurcell@nhprimex.org	
			Please direct inquires to: Primex³ Claims/Coverage Services 603-225-2841 phone 603-228-3833 fax	

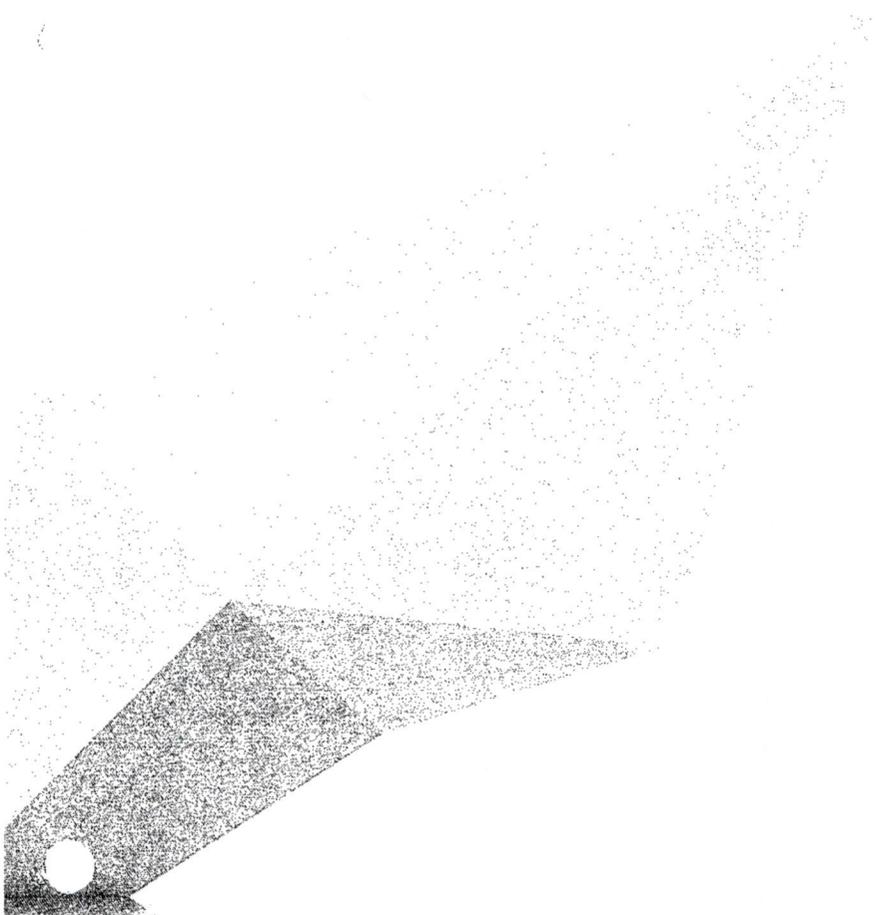
Manchester Transit Authority

Single Audit Act

Year Ended June 30, 20244



manchester transit



WIPFLI

CONTENTS

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	1
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8

Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With *Government Auditing Standards*

Board of Commissioners
Manchester Transit Authority
Manchester, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Manchester Transit Authority (the Authority), a component unit of the City of Manchester, New Hampshire, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon, dated February 5, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Wipfli LLP

Wipfli LLP

South Portland, Maine
February 5, 2025

Independent Auditors' Report on Compliance for Each Major Federal Program
and on Internal Control over Compliance Required by the Uniform Guidance

Board of Commissioners
Manchester Transit Authority
Manchester, New Hampshire

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Manchester Transit Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2024. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Manchester Transit Authority, a component unit of the City of Manchester, New Hampshire, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon, dated February 5, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. ~~The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.~~

Wipfli LLP

Wipfli LLP

South Portland, Maine
February 5, 2025

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grant/Pass-Through Grantor/Program Title or Cluster Title	Federal AL Number	Expenditures	Amounts Provided to Subrecipients
<u>Direct Programs</u>			
U.S. Department of Transportation			
Federal Transit Cluster			
Federal Transit Formula Grants	20.507	<u>\$ 3,984,304</u>	
Total Federal Transit Cluster		<u>3,984,304</u>	
<u>Pass-Through Southern New Hampshire Planning Commission</u>			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	113,024	
<u>Pass-Through New Hampshire Department of Transportation</u>			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	<u>64,917</u>	
Total Enhanced Mobility of Seniors and Individuals with Disabilities		<u>177,941</u>	
Total U.S. Department of Transportation		<u>4,162,245</u>	
Total Expenditures of Federal Awards		<u>\$ 4,162,245</u>	<u>\$ 0</u>

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Manchester Transit Authority under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Manchester Transit Authority, it is not intended to and does not present the financial position, changes in financial position and cash flows of Manchester Transit Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- B. Pass-through entity identifying numbers are presented where available
- C. Manchester Transit Authority has not elected to use the 10% de minimus indirect cost rate allowed under Uniform Guidance.

NOTE 3 – Subrecipients

Manchester Transit Authority does not have any subrecipients or subrecipient expenditures.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Part I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) of the Uniform Guidance? Yes No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>AL Number</u>
---	------------------

Federal Transit Cluster	
Federal Transit Formula Grants	20.507

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

Auditee qualified as low-risk auditee? Yes No

Part II. Financial Statement Findings Section

No matters reportable.

Part III. Federal Findings and Questioned Costs Section

No matters reportable.

Manchester Transit Authority

Financial Report

Year Ended June 30, 2024



manchester transit

WIPFLI

Independent Auditor's Report

Board of Commissioners
Manchester Transit Authority
Manchester, New Hampshire

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Manchester Transit Authority (the "Authority"), a component unit of the City of Manchester, New Hampshire, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Manchester Transit Authority as of June 30, 2024, and respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Manchester Transit Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 the Authority's ability to continue as a going concern for twelve-months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS and *Government 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 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.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 Manchester Transit Authority'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 the Authority'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in Total OPEB Liability and Related Ratios - Retiree Medical Plan, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Manchester Transit Authority has omitted the management's discussion and analysis that GAAP require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Manchester Transit Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Wipfli LLP

South Portland, Maine
February 5, 2025

Manchester Transit Authority

Statement of Net Position

As of June 30, 2024

Current assets:	
Cash and cash equivalents	\$ 1,286,391
Accounts receivable	445,194
Grants receivable	621,923
Inventories	274,898
Prepaid items	2,673
<hr/>	
Total current assets	2,631,079
<hr/>	
Capital assets:	
Land	129,109
Buildings and improvements	2,838,912
Buses	13,114,490
Equipment	2,061,097
Less: accumulated depreciation	(10,711,187)
<hr/>	
Total capital assets	7,432,421
<hr/>	
Total assets	10,063,500
<hr/>	
Deferred outflows of resources	97,452
<hr/>	
Total Assets and Deferred Outflows of Resources	\$ 10,160,952

See accompanying notes to financial statements.

Manchester Transit Authority

Statement of Net Position (Continued)

As of June 30, 2024

Current liabilities:	
Accounts payable	\$ 76,436
Accrued expenses	123,824
Accrued vacation	257,982
Total current liabilities	458,242
Noncurrent liabilities:	
Accrued sick pay	227,939
Other post-employment benefits liability	2,603,707
Total long-term liabilities	2,831,646
Total liabilities	3,289,888
Deferred inflows of resources	2,117,069
Net position:	
Investment in capital assets	7,432,421
Unrestricted (deficit)	(2,678,426)
Total net position	4,753,995
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 10,160,952

See accompanying notes to financial statements.

Manchester Transit Authority

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2024

Operating revenues	\$ 2,723,526
Operating expenses:	
Labor	5,053,724
Fringe benefits	1,977,443
Services	408,489
Materials and supplies	994,902
Utilities	124,384
Insurance	492,555
Depreciation	1,596,084
Other	75,533
Total operating expenses	10,723,114
Operating loss	(7,999,588)
Non-operating revenues:	
City of Manchester	1,698,761
Local town contribution - Manchester service area	44,888
Local town contribution - CART service area	153,117
Private partnership contributions	50,988
Federal grants	4,162,245
Interest	2,912
Gain on sale of capital assets	4,285
Contributed assets from MVRTA	714,736
Miscellaneous receipts	177,826
Total non-operating revenues	7,009,758
Net loss before capital contributions	(989,830)
Capital contributions	54,072
Change in net position	(935,758)
Net position - beginning of year	5,689,753
Net position - end of year	\$ 4,753,995

See accompanying notes to financial statements.

Manchester Transit Authority

Statement of Cash Flows

Year Ended June 30, 2024

Increase (decrease) in cash and cash equivalents:	
Cash flows from operating activities:	
Receipts from customers	\$ 2,691,455
Payments to suppliers	(2,046,078)
Payments to employees	(7,568,491)
Net cash flows from operating activities	(6,923,114)
Cash flows from noncapital financing activities:	
Operating grants and subsidies	5,755,701
Miscellaneous receipts	177,826
Net cash flows from noncapital financing activities	5,933,527
Cash flows from capital and related financing activities:	
Capital contributions	54,072
Proceeds from the sale of capital assets	4,285
Purchase of capital assets	(45,854)
Net cash from capital and related financing activities	12,503
Cash flows from investing activities:	
Interest	2,912
Net cash from investing activities	2,912
Net change in cash and cash equivalents	(974,172)
Cash and cash equivalents at beginning of year	2,260,563
Cash and cash equivalents at end of year	\$ 1,286,391

Manchester Transit Authority

Statement of Cash Flows (Continued)

Year Ended June 30, 2024

Reconciliation of operating loss to net cash

flows from operating activities:

Operating loss \$ (7,999,588)

Adjustments to reconcile operating loss to net cash used in operating activities:

Depreciation 1,596,084

Change in assets and liabilities:

Accounts receivable (32,071)

Inventories 11,126

Prepaid expenses 133,672

Deferred outflows of resources 292,771

Deferred inflows of resources (683,161)

Accounts payable (154,479)

Accrued expenses 59,466

Accrued vacation and sick pay (42,292)

Other post-employment benefits liability (104,642)

Net cash flows from operating activities \$ (6,923,114)

Noncash transactions:

During 2024 the Authority received a contribution of three commuter coaches that were recorded in the amount of \$714,636.

See accompanying notes to financial statements.

Manchester Transit Authority

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of the Entity

The Manchester Transit Authority (the Authority) was incorporated May 9, 1973, by the Board of Mayor and Aldermen of the City of Manchester, to provide public mass transportation facilities and services and pupil transportation and has such rights, powers, and duties as conferred or imposed upon it by virtue of the State of New Hampshire Revised Statutes Annotated Chapter 38-A relating to municipal transit. During 2024, the pupil transportation services was reduced to approximately 50% of prior activity in conjunction with a plan to transition the pupil transportation services to the City of Manchester School District (see Note 10).

Accounting Principles

These basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (standards and interpretations), constitute GAAP for governmental units. GAAP also includes guidance from the American Institute of Certified Public Accountants in the publication entitled, State and Local Governments. The more significant of the Authority's accounting policies are described below.

Reporting Entity

In evaluating the Authority as a reporting entity, management has addressed all potential component units for which the Authority may be financially accountable and, as such, should be included within the Authority's financial statements. In accordance with GASB Statement No. 14, as amended by GASB Statement No. 61, the Authority is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Authority. Additionally, the Authority is required to consider other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity's financial statements to be misleading. Based on the application of these criteria, there are no other entities that should be included as part of these financial statements.

Under these standards, the Authority is considered to be a component unit of the City of Manchester, New Hampshire. The Commissioners of the Authority are appointed by the City's Board of Mayor and Alderman. The Authority has the authority to set fare rates. The Board of Mayor and Aldermen determine the annual operating subsidy and approve the issuance of bonds.

Manchester Transit Authority

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The proprietary fund type is used by the Authority.

The Authority's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the Authority's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenue Recognition

Operating revenues are recognized when the goods or services have been provided to the customer. Nonoperating revenues are recognized when the conditions for earning the revenues have been met, which is typically as the related eligible expenses are incurred.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable and Grants Receivable

Accounts receivable consists primarily of amounts due for school bus services provided but also includes amounts due from other governments and private organizations for city bus services provided. Grants receivable include federal grants. Accounts receivable and grants receivable have been evaluated for collectibility and no allowance for doubtful accounts is considered necessary.

Inventories

Inventories consist of parts, fuel and oil and are stated at the lower of cost or market on a first-in, first out (FIFO) basis. The cost of inventories is recorded as an expense when consumed rather than when purchased.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Manchester Transit Authority

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets consist of land, buildings and improvements, buses, and equipment. Purchased capital assets are reported at cost and updated for additions and retirements during the year. Donated fixed assets are recorded at their estimated acquisition value at the date of donation. The Authority maintains a capitalization threshold of \$1,000. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Land has an indefinite life and is not depreciated. All other capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings and Improvements	30-40 years
Heating equipment and parking lot	15 years
Buses	7 years
Equipment	5 years

Compensated Absences

The Authority's vacation policy allows employees to earn vacation hours on a monthly basis, based on years of employment. Unused vacation hours may be accumulated and carried over, subject to certain limitations based on the classification of the employee. Upon separation, allowed carryover for unused vacation is paid out at the current salary rate. Vacation leave is accrued when incurred and presented as being payable within one year.

The Authority's sick leave policy allows employees to earn sick leave hours on a monthly basis, based on years of employment, unused sick time can be accumulated and carried over, subject to certain limitations based on the classification of the employee. Upon separation and meeting the minimum years of service and retirement requirements, as applicable, up to 75 days unused sick leave hours is paid out at the current salary rate. Sick leave is accrued when incurred and presented as a long-term liability.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an expense until then. The Authority's deferred outflows relate to its Postemployment Benefits Other Than Pensions (OPEB) Liability as disclosed in Note 8.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority's deferred inflows relate to its OPEB Liability as disclosed in Note 8.

Manchester Transit Authority

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Other Post-Employment Benefits (“OPEB”) Obligations

The Authority’s total OPEB Obligation is recognized as a liability and the Annual Required Contribution (“ARC”) is expensed, as determined by the Authority’s actuary, in the proprietary fund financial statements.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use externally restricted resources first.

Budget

The Authority is not required to adopt a legal budget; therefore, no budgetary comparison is presented.

Concentration

Approximately 60% of the Authority’s total revenue is provided by federal and local operating grants and capital contributions.

Estimates

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

Note 2: Cash and Investments

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to them. The Authority does not have a deposit policy for custodial credit risk. As of June 30, 2024, none of the Authority’s reported deposits of \$1,286,391 with a bank balance of \$1,378,415 was exposed to custodial credit risk as the Authority has a collateral agreement with Citizens Bank.

Manchester Transit Authority

Notes to Financial Statements

Note 3: Capital Assets

Capital asset balances and activity for the year ended June 30, 2024, were as follows:

	Balance 06/30/23	Additions	Disposals	Balance 06/30/24
Land	\$ 129,109	\$ -	\$ -	\$ 129,109
Buildings and improvements	2,838,912	-	-	2,838,912
Buses	11,585,690	1,641,417	(112,617)	13,114,490
Equipment	2,127,216	45,878	(111,997)	2,061,097
	16,680,927	1,687,295	(224,614)	18,143,608
Less: Accumulated depreciation	8,413,014	2,522,764	(224,591)	10,711,187
Capital assets, net	\$ 8,267,913	\$ (835,469)	\$ (23)	\$ 7,432,421

During 2024 the Authority received three commuter coaches from Merrimack Valley Regional Transit Authority (MVRTA). The estimated value of the assets was \$714,736.

Note 4: Changes in Noncurrent Liabilities

	Balance 06/30/23	Additions	Reductions	Balance 06/30/24
Accrued sick pay	\$ 258,339	\$ -	\$ 30,400	\$ 227,939
Net other post-employment benefits liability	2,708,349	-	104,642	2,603,707
Totals	\$ 2,966,688	\$ -	\$ 135,042	\$ 3,101,730

There are no estimated current maturities of accrued sick pay or other post-employment benefits liability.

Note 5: Capital Contributions

The Authority receives capital contributions through federal, state and local funds to help improve and expand certain capital assets that are acquired. Capital contributions totaled \$54,072 as of June 30, 2024.

Note 6: Union Contracts

The Authority has an agreement with the Amalgamated Transit Union, Local 717, which covers drivers and mechanics, which was renewed on July 9, 2023, and expires on June 30, 2026.

Manchester Transit Authority

Notes to Financial Statements

Note 7: Defined Contribution Plans

The Authority has a defined contribution plan covering all employees. The plan is a single-employer defined benefit plan administered by the Authority. Employees must complete a 90-day waiting period and are fully vested after five years. The Authority and its employees contribute to the plan based on a 40-hour week.

The Authority's contribution for the year ended June 30, 2024 was \$199,030. The Authority's contribution represents 1% of covered payroll. Employee contributions were \$142,900 for the year ended June 30, 2024.

The Authority also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Note 8: Other Postemployment Benefits

Plan Description. The Authority sponsors a post-retirement benefit (OPEB) plan that provides health insurance to retiring employees. The Manchester Transit Authority Retiree Medical Benefit Plan is a single employer defined benefit healthcare plan administered by the Authority and the union. The Authority currently plans to fund these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide post-employment benefits. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Funding Policy. The plan provides medical benefits to eligible retirees and their spouses. Under the union contract, retiring employees covered under the pension plan may remain covered under the Authority's healthcare plan. For those hired before July 1, 2017, employees are eligible after attainment of age 62 and 20 years of service. For those hired after July 1, 2017, the employees are eligible after attainment of age 65 and 20 years of service. The Authority will pay 100% of the premiums for former administrative employees retired before April 2001, and 85% of the cost for all other employees. The employees' spouses are equally covered but must pay 100% of the cost upon the death of the retired employee.

Plan Membership. At June 30, 2024, the following were covered by the benefit terms:

	Number of Participants
Active employees	50
Inactive employees or beneficiaries currently receiving benefit payment	30
Total	80

Total OPEB Liability

The Authority's total OPEB liability of \$2,603,707 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

Manchester Transit Authority

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

General inflation of 3.00% was used. Health care cost trend of 7.5% in 2024 decreasing under the Goetzen model to 4.54% in 2090. Post-65 the flat trend assumption is 4.54% for all years. Mortality rates were based on the SOA PUB-2010 Public Retirement Plan Employees Mortality Table Adjusted with Improvement Scale MP-2021. As of 6/30/2024, Mortality rates were based on SOA PUB-2010 Public Retirement Plan Employees Mortality Table Adjusted with Mortality Improvement Scale MP-2021.

The discount rate was based on high quality AA/Aa or higher bond yields in effect for 20-year, tax exempt general obligation municipal bonds using the Bond Buyer index.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study, conducted by an independent actuarial consultant.

Changes in the total OPEB liability:

	Total OPEB Liability
Balance at beginning of year	\$ 2,708,349
Changes for the year:	
Service cost	93,918
Interest	114,130
Differences between expected and actual experience	(246,488)
Changes in assumptions or other inputs	11,465
Benefit payments	(77,667)
Balance at end of year	\$ 2,603,707

Sensitivity of the total OPEB liability to changes in the discount rate. The following table shows how the total OPEB liability would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate used for the Health Plan is 4.21%.

	1% Decrease (3.21%)	Discount Rate (4.21%)	1% Increase (5.21%)
Authority's total OPEB liability	\$ 2,974,696	\$ 2,603,707	\$ 2,300,777

Manchester Transit Authority

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The following table shows how the total OPEB liability would change if the healthcare rate used was one percentage point lower or one percentage point higher than the current rate of 7.5% decreasing to 4.54%.

	1% Decrease (6.5% decreasing to 3.54%)	Healthcare Cost Trend Rates (7.5% decreasing to 4.54%)	1% Increase (8.5% decreasing to 5.54%)
Authority's total OPEB liability	\$ 2,278,594	\$ 2,603,707	\$ 3,011,348

For the year ended June 30, 2024, the Authority recognized OPEB income of \$-. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (1,548,671)
Changes of assumptions	97,452	(568,398)
Totals	\$ 97,452	\$ (2,117,069)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense, as follows:

Year ended June 30,		
2025		\$ (768,817)
2026		(779,996)
2027		(428,661)
2028		(42,143)
Total		\$ (2,019,617)

Note 9: Commitments and Contingencies

The Authority participates in numerous Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Authority has not complied with the rules and regulations governing the grants, refunds of any money may be required and the collectability of any related receivable at June 30, 2024 may be impaired. In the opinion of the Authority, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Manchester Transit Authority

Notes to Financial Statements

Note 10: Subsequent Events

Effective July 1, 2024, the Authority is no longer providing pupil transportation for the City of Manchester School District (the School). Subsequent to July 1, 2024, ownership of the school buses have been turned over to the School. During a transition period for the next 2 years, the Authority will continue to provide maintenance services for the School and the dispatch operations will continue to be operated out of the Authority's facility.

Manchester Transit Authority
Schedule of Changes in Total OPEB Liability and Related Ratios -
Retiree Medical Benefit Plan

Total OPEB Liability	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Service cost	\$ 93,918	\$ 140,581	\$ 304,819	\$ 239,203	\$ 235,797	\$ 228,974	\$ 110,546
Interest	114,130	170,348	133,059	150,941	186,443	176,987	193,680
Difference between expected and actual experience	(246,488)	(1,512,505)	(988,142)	(283,614)	(215,035)	-	223,618
Changes of assumptions or other inputs	11,465	(69,741)	(1,127,624)	365,135	(681,466)	-	1,511,353
Benefit payments	(77,667)	(106,543)	(101,276)	(101,276)	(98,804)	(95,481)	(89,379)
Net change in total OPEB liability	(104,642)	(1,377,860)	(1,779,164)	370,389	(573,065)	310,480	1,949,818
Total OPEB liability - beginning	2,708,349	4,086,209	5,865,373	5,494,984	6,068,049	5,757,569	3,807,751
Total OPEB liability - ending	\$ 2,603,707	\$ 2,708,349	\$ 4,086,209	\$ 5,865,373	\$ 5,494,984	\$ 6,068,049	\$ 5,757,569
Covered employee payroll	\$ 4,609,252	\$ 3,940,321	\$ 4,067,096	\$ 4,514,346	\$ 4,054,720	\$ 2,968,029	\$ 2,418,492
Total OPEB liability as a percentage of covered - employee payroll	56%	69%	100%	130%	136%	204%	238%

Manchester Transit Authority

Schedule of Changes in Total OPEB Liability and Related Ratios - Retiree Medical Benefit Plan - Notes to Schedule

Changes of assumptions: In 2024, amounts reported as changes of assumptions resulted from adjustments to assumed life expectancies as a result of adopting Improvement Scale MP-2021 for purposes of developing mortality rates, and changing the discount rate from 4.13% to 4.121%. The trend assumption was also adjusted - 7.5% in 2024 decreasing under the Goetzen model to 4.54% in 2090. Post-65 the flat trend assumption is 4.54% for all years.

Changes of assumptions: In 2023, amounts reported as changes of assumptions resulted from adjustments to assumed life expectancies as a result of adopting Improvement Scale MP-2021 for purposes of developing mortality rates, and changing the discount rate from 4.09% to 4.13%. The trend assumption was also adjusted - 7.5% in 2023 decreasing under the Goetzen model to 4.44% in 2090. Post-65 the flat trend assumption is 4.44% for all years.

Changes of assumptions: In 2022, amounts reported as changes of assumptions resulted from adjustments to assumed life expectancies as a result of adopting Improvement Scale MP-2021 for purposes of developing mortality rates, and changing the discount rate from 2.18% to 4.09%. The trend assumption was also adjusted - 7.5% in 2022 decreasing under the Goetzen model to 4.24% in 2090. Post-65 the flat trend assumption is 4.24% for all years.

Changes of assumptions: In 2021, amounts reported as changes of assumptions resulted from adjustments to assumed life expectancies as a result of adopting Improvement Scale MP-2020 for purposes of developing mortality rates, and changing the discount rate from 2.66% to 2.18%. The trend assumption was kept the same - 6.5% in 2021 decreasing .5% in 2024, and reducing further under the Goetzen model to 4.0% in 2077.

Changes of assumptions: In 2020, amounts reported as changes of assumptions resulted from adjustments to assumed life expectancies as a result of adopting the SOA PUB H-2010 Headcount-Weighted Mortality Rates Adjusted with Improvement Scale MP-2019 for purposes of developing mortality rates, and changing the discount rate from 2.98% to 2.66%. Furthermore the pre-65 trend assumption was changed to 7.0% in 2020 decreasing 0.5% per year to 5.0% in 2024, and reducing further under the Goetzen model to 4.0% in 2077, and post-65 trend assumption was changed to 4.00% for all future years.

Changes of assumptions: In 2018, amounts reported as changes of assumptions resulted from adjustments to assumed life expectancies as a result of adopting the SOA RP-2017 Blue Collar Mortality Table Adjusted to 2006 with Improvement Scale MP-2017 for purposes of developing mortality rates, and changing the discount rate from 5.00% to 2.98%. Furthermore, the trend assumption was changed from 7.5% as of 2017 reduced linearly to an ultimate trend of 5.5% to 7.0% as of 2019 reduced to an ultimate trend of 5.2%.

This schedule is presented to illustrate requirements to show information for 10 years. However, until a full 10 year trend is compiled, the Authority presents information for those years of which information is available.

Independent Auditor's Report on Supplementary Information

Board of Mayor and Alderman
Manchester Transit Authority
Manchester, New Hampshire

We have audited the basic financial statements of Manchester Transit Authority (collectively referred to as "the Authority") as of and for the year ended June 30, 2024, and our report thereon, dated February 5, 2025, which expressed an unmodified opinion on those basic financial statements, appears on pages 1 through 3. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedules, on pages 21 and 22, are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.



Wipfli LLP

South Portland, Maine
February 5, 2025

Manchester Transit Authority

Combining Statement of Net Position

<i>As of June 30, 2024</i>	Transit Bus Service	School Bus Service	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 759,984	\$ 526,407	\$ 1,286,391
Accounts receivable	445,194	-	445,194
Grants receivable	621,923	-	621,923
Inventories	274,898	-	274,898
Prepaid items	2,673	-	2,673
Interfund loan	(312,288)	312,288	-
Total current assets	1,792,384	838,695	2,631,079
Capital assets			
Land	66,829	62,280	129,109
Building and improvements	2,737,428	101,484	2,838,912
Buses	9,017,370	4,097,120	13,114,490
Equipment	1,734,706	326,391	2,061,097
Less: accumulated depreciation	(7,971,752)	(2,739,435)	(10,711,187)
Total capital assets	5,584,581	1,847,840	7,432,421
Total assets	7,376,965	2,686,535	10,063,500
Deferred outflows of resources	97,452	-	97,452
Total assets and deferred outflows of resources	\$ 7,474,417	\$ 2,686,535	\$ 10,160,952
Liabilities			
Current liabilities			
Accounts payable	\$ 76,436	-	\$ 76,436
Accrued expenses	123,824	-	123,824
Accrued vacation	257,982	-	257,982
Total current liabilities	458,242	-	458,242
Non-current liabilities			
Accrued sick pay	227,939	-	227,939
Other post-employment benefits liability	2,603,707	-	2,603,707
Total long-term liabilities	2,831,646	-	2,831,646
Total liabilities	3,289,888	-	3,289,888
Deferred inflows of resources	2,117,069	-	2,117,069
Net position			
Investment in capital assets	5,584,581	1,847,840	7,432,421
Unrestricted (deficit)	(3,517,121)	838,695	(2,678,426)
Total net position	\$ 2,067,460	\$ 2,686,535	\$ 4,753,995

See Independent Review Report on Supplementary Information.

Manchester Transit Authority
Combining Statement of Revenues, Expenses and Changes
In Net Position

<i>Year Ended June 30, 2024</i>	Transit Bus Service	School Bus Service	Total
Operating revenues	\$ 529,403	\$ 2,194,123	\$ 2,723,526
Operating expenses			
Labor	3,538,272	1,515,452	5,053,724
Fringe benefits	1,506,674	470,769	1,977,443
Services	290,575	117,914	408,489
Materials and supplies	784,729	210,173	994,902
Utilities	75,480	48,904	124,384
Insurance	275,096	217,459	492,555
Depreciation	1,120,157	475,927	1,596,084
Other	56,965	18,568	75,533
Total operating expenses	7,647,948	3,075,166	10,723,114
Operating loss	(7,118,545)	(881,043)	(7,999,588)
Non-operating revenues			
City of Manchester	1,698,761	-	1,698,761
Local town contribution- Manchester service area	44,888	-	44,888
Local town contribution - CART service area	153,117	-	153,117
Private partnership contributions	50,988	-	50,988
Federal grants	4,162,245	-	4,162,245
Interest	790	2,122	2,912
Loss on sale of capital assets	4,257	28	4,285
Contributed assets from MVRTA	714,736	-	714,736
Miscellaneous revenue	166,603	11,223	177,826
Total non-operating revenues	6,996,385	13,373	7,009,758
Net loss before capital contributions	(122,160)	(867,670)	(989,830)
Capital contributions	-	54,072	54,072
Change in net position	(122,160)	(813,598)	(935,758)
Net position, beginning of year	2,189,620	3,500,133	5,689,753
Net position, end of year	\$ 2,067,460	\$ 2,686,535	\$ 4,753,995

See Independent Review Report on Supplementary Information.



MANCHESTER TRANSIT AUTHORITY

Board of Commissioners

Chair	
Name:	Dan Elliott
Address:	
Home Phone:	
Cell Phone:	
Email Address:	
Vice Chair	
Name:	Michelle Lauder
Address:	
Home Phone:	
Cell Phone:	
Email Address:	
Commissioner	
Name:	Marlana Trombley
Address:	
Home Phone:	
Cell Phone:	
Email Address:	
Commissioner	
Name:	Patrick Arnold
Address:	
Home Phone:	
Cell Phone:	
Email Address:	
Commissioner	
Name:	
Address:	
Home Phone:	
Cell Phone:	
Email Address:	



PROFILE

A transportation professional with more than twenty years of experience in public transportation, school transportation, and regional transportation planning. Strong organizational skills developed working at every level in transportation from bus operator to Executive Director. Able to provide exceptional customer service to a diverse group of stakeholders while always maintaining responsible use of taxpayer funding entrusted to the organization.

PROFESSIONAL EXPERIENCE

MANCHESTER TRANSIT AUTHORITY, Manchester, NH **2007 - Present**

Executive Director (2010-present)

Operations Planning Manager / Assistant Executive Director (2007-2010)

Responsible for the development, implementation, and review of all aspects of operations including budget development, grant management, and service design.

- Responsible for 100+ bus fleet comprised of both transit and school buses, largest public fleet of buses in New Hampshire.
- Implemented intercity commuter service to connect Manchester Transit Authority service with Concord Area Transit and Nashua Transit System. All service operated exclusively by MTA.
- Implemented the Green DASH service, a free circulator service connecting downtown Manchester with the Millyard using the first two hybrid electric buses in public use in NH.
- Established regional shopper shuttles for surrounding communities of Bedford, Goffstown, and Hooksett so that seniors and citizens with disabilities could access a free bus ride to and from the grocery store.
- Directly employ 130 employees and responsible for creating and implementing \$7.5 million annual operating budget.
- Ensure smooth, on budget operation of StepSaver service, MTA's paratransit service for passengers with a disability that prevents them from accessing the fixed route system.
- Work productively with unionized labor force.
- Research, apply for, and administer grants from multiple funding sources.

UMASS TRANSIT SERVICES, Amherst, MA **2000 - 2007**

Various Positions

Began as a bus operator and was promoted to positions of increasing responsibility including special transportation operator (paratransit), trainer, radio operator (dispatcher), and driver supervisor while completing undergraduate studies from 2000-2004. Promoted to training coordinator after graduation with responsibility for managing all aspects of training department.

- Supervise a team of 18 trainers to assist approximately 50 students annually to obtain a Commercial Drivers License.
- Interview and hire all new operators.
- Enforce the drug and alcohol policy for safety sensitive employees.

EDUCATION

B.S. Business Administration '04, University of Massachusetts, Amherst, MA

PROFESSIONAL LEADERSHIP POSITIONS

Community Transportation Association of America (CTAA) Board of Directors 2020-present
Northeast Passenger Transportation Association (NEPTA) Board of Directors 2012-present; President 2018-2022
State Coordination Council (SCC) Governor's Urban Transit Rep 2017-present
Region 8 Regional Coordination Council (RCC) Vice Chair
CTAA National Community Transportation Manager of the Year 2017
James W. Tethers Award (SNHPC) 2019