



## STATE OF NEW HAMPSHIRE

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

*DIVISION FOR BEHAVIORAL HEALTH*

129 PLEASANT STREET, CONCORD, NH 03301

603-271-9544 1-800-852-3345 Ext. 9544

Fax: 603-271-4332 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

Lori A. Weaver  
CommissionerKatja S. Fox  
Director

March 2, 2026

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

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Division for Behavioral Health, to enter into a **Retroactive, Sole Source** amendment to an existing contract with Manchester Alcoholism Rehabilitation Center (VC#177204), Manchester, NH to modify scope and funding for sustainable solutions for Substance Use Disorder (SUD) services, by decreasing the price limitation by \$863,975 from \$2,259,878 to \$1,395,903 with no change to the contract completion date of June 30, 2026, effective retroactive to February 25, 2026, upon Governor and Council approval. 100% Federal Funds.

The original contract was approved by Governor and Council on November 13, 2024, item #9.

Funds are available in the following accounts for State Fiscal Year 2026, with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

**05-95-94-940010-2465 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: NEW HAMPSHIRE HOSPITAL, ARPA DHHS FISCAL RECOVERY FUND**

| State Fiscal Year | Class / Account | Class Title            | Job Number          | Current Budget     | Increased (Decreased) Amount | Revised Budget     |
|-------------------|-----------------|------------------------|---------------------|--------------------|------------------------------|--------------------|
| 2025              | 102-500731      | Contracts for Prgm Svc | 00FRF602<br>PH9543A | \$2,257,620        | (\$1,390,621)                | \$866,999          |
| 2026              | 102-500731      | Contracts for Prgm Svc | 00FRF602<br>PH9543A | \$0                | \$526,646                    | \$526,646          |
|                   |                 |                        | <b>Subtotal</b>     | <b>\$2,257,620</b> | <b>(\$863,975)</b>           | <b>\$1,393,645</b> |

**05-95-92-920510-33840000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF DRUG & ALCOHOL SERVICES, CLINICAL SERVICES**

Her Excellency, Governor Kelly A. Ayotte  
 and the Honorable Council  
 Page 2 of 2

| State Fiscal Year | Class / Account | Class Title            | Job Number      | Current Budget     | Increased (Decreased) Amount | Revised Budget     |
|-------------------|-----------------|------------------------|-----------------|--------------------|------------------------------|--------------------|
| 2025              | 102-500731      | Contracts for Prgm Svc | 92056505        | \$2,258            | \$0                          | \$2,258            |
|                   |                 |                        | <b>Subtotal</b> | <b>\$2,258</b>     | <b>\$0</b>                   | <b>\$2,258</b>     |
|                   |                 |                        | <b>Total</b>    | <b>\$2,259,878</b> | <b>(\$863,975)</b>           | <b>\$1,395,903</b> |

**EXPLANATION**

This request is **Sole Source** because MOP 150 requires all amendments to agreements originally approved as sole source to be identified as sole source. The original action was pursuant to an accept and expend request approved by the Governor and Council (March 13, 2024, Item #7) and Fiscal Committee (March 15, 2024, Item # FIS 24-094) to address the need to identify and implement sustainable solutions to stabilize programmatic and financial operations of Substance Use Disorder (SUD) services negatively impacted as a result of increased uncompensated care. This request is **Retroactive** to February 25, 2026, to align with the effective date of the partial termination of scope and associated funding reduction, as agreed upon by the Department and the Contractor. This includes the removal of a director of veteran SUD services, clinical liaison and other clinical staff positions, which the Contractor was not able to fill, and funding related to targeted marketing to raise awareness of services. The Contractor will continue to provide direct services to individuals experiencing behavioral health issues.

The Contractor is engaged in a two-phased approach designed to identify and implement sustainable solutions for the provision of SUD treatment services. The Contractor completed the first phase in which they identified programmatic innovations and best practices; evaluated existing practices; and conducted research and an operational and financial analysis to stabilize and expand outpatient substance use disorder services. During the second phase, the Contractor is conducting program implementation and sustainability planning based on solutions identified in Phase I. To date, the Contractor has enhanced engagement practices focused on those with complex needs; provided integrated, co-occurring outpatient care; and developed a financial sustainability plan that includes payment design strategies that better leverage reimbursement to support care coordination, transportation, and related complementary services.

The Department monitors services by reviewing required monthly progress reports, and interim and final reports provided by the Contractor:

Should the Governor and Council not authorize this request, the Department will not be able to modify scope to align with reduced funding; leaving the Contractor at risk of overspending and being responsible for scope deliverables that no longer apply.

Area served: Statewide.

Source of Federal Funds: Assistance Listing Number #21.027, FAIN # SLFRP0145

Respectfully submitted,



For:

Lori A. Weaver  
 Commissioner



the Department of Treasury (“Treasury”) through the American Rescue Plan Act of 2021 (“ARPA”), with 100% of the source of funds being the State and Local Fiscal Recovery Funds (“SLFRF”) identified under the Catalog of Federal Domestic Assistance (“CFDA”) number #21.027. The Federal Award Identification Number (“FAIN”) for this award is SLFRP0145. This grant award is a subaward of SLFRF funds and any and all compliance requirements, as updated by Treasury, for use of SLFRF funds are applicable to the Subrecipient, without further notice. Treasury requirements are published and updated at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>.

1.2. .2% General funds

5. Modify Exhibit C, Payment Terms; Section 4.1., to read:
  - 4.1. Excluding the one-time payment specified in Section 3 above, payment shall be on a cost reimbursement basis for actual allowable expenditures incurred under this Agreement for the provision of services as specified in Exhibit B, Scope of Services, Section 1, Statement of Work, in accordance with the approved line items as specified in Exhibit C-1, Budget – Amendment #1.
6. Modify Exhibit C-1, Budget Sheet, by replacing it in its entirety with Exhibit C-1, Budget Sheet – Amendment #1, which is attached hereto and incorporated by reference herein.

All terms and conditions of the Contract not modified by this Amendment remain in full force and effect. This Amendment shall be effective retroactive to February 25, 2026, upon Governor and Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire  
Department of Health and Human Services

3/5/2026  
\_\_\_\_\_  
Date

DocuSigned by:  
*Katja S. Fox*  
ED9D05B04C63442...  
Name: Katja S. FOX  
Title: Director

Manchester Alcoholism Rehabilitation Center

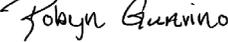
3/5/2026  
\_\_\_\_\_  
Date

DocuSigned by:  
*Catherine Kuhn*  
B3B35BFD976D42A...  
Name: Catherine Kuhn  
Title: COO

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

3/6/2026  
\_\_\_\_\_  
Date

DocuSigned by:  
  
748734844941460...  
Name: Robyn Guarnino  
Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: \_\_\_\_\_ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name:  
Title:

| New Hampshire Department of Health and Human Services<br>Contractor Name: <i>Manchester Alcoholism Rehabilitation Center</i><br>Budget Request for: <i>Sustainable Solutions for SUD Services</i><br>Budget Period: <i>SFY25-26</i><br>Indirect Cost Rate (if applicable) <i>4.29%</i> |  |  |
|--|--|--|
| Line Item  | Program Cost - Funded by DHHS - SFY 25 | Program Cost - Funded by DHHS - SFY 26 |
| 1. Salary & Wages  | \$14,031                               | \$235,433                              |
| 2. Fringe Benefits   | \$3,685                                | \$69,182                               |
| 3. Consultants   | \$50,000                               | \$16,603                               |
| 4. Equipment   |  |  |
| Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.  |  |  |
| 5.(a) Supplies - Educational   | \$0                                    | \$0                                    |
| 5.(b) Supplies - Lab   | \$0                                    | \$0                                    |
| 5.(c) Supplies - Pharmacy  | \$0                                    | \$0                                    |
| 5.(d) Supplies - Medical   | \$0                                    | \$0                                    |
| 5.(e) Supplies - Office  | \$0                                    | \$10,541                               |
| 6. Travel  | \$0                                    | \$6,222                                |
| 7. Software  | \$0                                    | \$0                                    |
| 8. (a) Other - Marketing/Communications  | \$0                                    | \$141,958                              |
| 8. (b) Other - Education and Training  | \$0                                    | \$7,190                                |
| 8. (c) Other - Other (specify below)   | \$0                                    | \$0                                    |
| Other (Operational Losses)   | \$797,469                              | \$0                                    |
| Other (please specify)   | \$0                                    | \$0                                    |
| Other (please specify)   | \$0                                    | \$0                                    |
| Other (please specify)   | \$0                                    | \$0                                    |
| Other (please specify)   | \$0                                    | \$0                                    |
| Other (please specify)   | \$0                                    | \$0                                    |
| 9. Subrecipient Contracts  | \$0                                    | \$0                                    |
| Total Direct Costs   | \$865,186                              | \$487,129                              |
| Total Indirect Costs   | \$4,072                                | \$39,517                               |
| <b>Subtotals</b>   | \$869,257                              | \$526,646                              |
|  | <b>TOTAL</b>                           | <b>\$1,395,903</b>                     |

DS  
CK

Contractor Initials: 3/5/2026

Date:

# 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 MANCHESTER ALCOHOLISM REHABILITATION CENTER is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on February 19, 1980. 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: **61650**

Certificate Number: **0007785627**



IN TESTIMONY WHEREOF,  
I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 11th day of February A.D. 2026.

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, Cynthia Ross, 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 Manchester Alcoholism Rehabilitation Center. (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 October 11, 2023, at which a quorum of the Directors/shareholders were present and voting.  
(Date)

**VOTED:** That Maureen Beauregard, President & CEO; Catherine Kuhn, Chief Operating Officer; Pamela Hawkes, Chief Development Officer; Michele Talwani, SVP Marketing & Communications or Bradford E. Cook, General Counsel of the corporation,  
(may list more than one person)  
(Name and Title of Contract Signatory)

are duly authorized on behalf of Manchester Alcoholism Rehabilitation Center 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: March 2, 2026

  
\_\_\_\_\_  
Signature of Elected Officer  
Name: Cynthia Ross  
Title: Assistant Secretary



## DESCRIPTIONS (Continued from Page 1)

General Liability policy contains a special endorsement with "Primary and Non- Contributory" wording.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
03/04/2026

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

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

|   |  |
|---|--|
| <b>PRODUCER</b><br>Howden US Specialty, LLC<br>7701 France Avenue South<br>Suite 500<br>Edina MN 55435-5288                                   | <b>CONTACT NAME:</b> Rich Camelio<br><b>PHONE (A/C, No, Ext):</b> _____ <b>FAX (A/C, No):</b> _____<br><b>E-MAIL ADDRESS:</b> Rich.Camelio@howdengroup.com<br><b>INSURER(S) AFFORDING COVERAGE</b><br><b>INSURER A:</b> The North River Insurance Company <b>NAIC #</b> 21105<br><b>INSURER B:</b> _____<br><b>INSURER C:</b> _____<br><b>INSURER D:</b> _____<br><b>INSURER E:</b> _____<br><b>INSURER F:</b> _____ |
| <b>INSURED</b><br>Easter Seals New Hampshire, Inc.<br>Manchester Alcoholism Rehabilitation Center<br>555 Auburn Street<br>Manchester NH 03103 |  |

**COVERAGES** **CERTIFICATE NUMBER: 26-27 WC** **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   |
|----------|--|---------------------------------|----------|---------------|-------------------------|-------------------------|--|
|          | <b>COMMERCIAL GENERAL LIABILITY</b><br><input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR<br><br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC<br>OTHER: _____ |                                 |          |               |                         |                         | EACH OCCURRENCE \$<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$<br>MED EXP (Any one person) \$<br>PERSONAL & ADV INJURY \$<br>GENERAL AGGREGATE \$<br>PRODUCTS - COMP/OP AGG \$<br>_____ \$           |
|          | <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY                      |                                 |          |               |                         |                         | COMBINED SINGLE LIMIT (Ea accident) \$<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$<br>_____ \$  |
|          | <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR<br><b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE<br>DED _____ RETENTION \$ _____   |                                 |          |               |                         |                         | EACH OCCURRENCE \$<br>AGGREGATE \$<br>_____ \$   |
| A        | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below  | Y/N<br><input type="checkbox"/> | N/A      | 406-741440-6  | 1/1/2026                | 1/1/2027                | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER<br>E.L. EACH ACCIDENT \$ 1,000,000<br>E.L. DISEASE - EA EMPLOYEE \$ 1,000,000<br>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)**

Manchester Alcoholism Rehabilitation Center is listed as an Additional Named Insured under the Workers' Compensation policy.

**CERTIFICATE HOLDER** **CANCELLATION**

|   |   |
|---|---|
| Department of Health & Human Services<br>129 Pleasant St.<br><br>Concord NH 03301 | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br><br>AUTHORIZED REPRESENTATIVE<br> |
|---|---|

# NONPROFIT COVER SHEET

**A. Entity Name: Manchester Alcoholism Rehabilitation Center**

**B. Entity's Contact Information:**

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

Name / Phone / Email: Stephanie Hazen/ (603)621-3429/[shazen@eastersealsnh.org](mailto:shazen@eastersealsnh.org)

**Person responsible for Accuracy and Completeness of information provided:**

Name: Cathy Kuhn

Title: COO

Signature: \_\_\_\_\_

**C. List Board of Directors and Affiliations**

| <u>Name (Identify any additional role(s) in Parentheses)</u><br>E.g., John Doe (President) | <u>Affiliations</u>   |
|--|---|
| <b>Bryan Bouchard, Chairman</b>  | CMA & Assistant Professor<br>Southern NH University               |
| <b>Andrew MacWilliam, Past Chairman</b>  | PWC (Retired)   |
| <b>Timothy Wade, Treasurer</b>   | Regional President<br>M&T Bank                                    |
| <b>Gregory Baxter, Vice Chairman</b>   | President, Elliot Health System                                   |
| <b>Bradford Cook, Esq., General Counsel &amp; Secretary</b>                                | Sheehan Phinney   |
| <b>Ajay Arigala, Director</b>  | Head of Technology<br>Crosby Company of New Hampshire             |
| <b>Bob Bartley, Director</b>   | Owner<br>Bartley Financial Advisors                               |
| <b>Matthew Boucher, Director</b>   | Deputy GM, COO<br>Airmar Technology Corp.                         |
| <b>Jo Brown, Director</b>  | Former Mayor, City of Franklin                                    |
| <b>Dan Cronin, Director</b>  | President & CEO<br>CGI Business Solutions                         |
| <b>Tom Davis, Director</b>   | Director, Electric Transmission<br>Field Operations<br>Eversource |
| <b>Eddie Edwards, Director</b>   | Assistant Commissioner of the Department<br>of Safety             |
| <b>Ryan Fox, Director</b>  | VP, Specialty Lending<br>BankProv.                                |
| <b>Linda James, Director</b>   | VT DCF-Family Svcs (Retired)                                      |
| <b>Ryan King, Director</b>   | VP of Human Resources<br>Northeast Delta Dental                   |
| <b>Madison Lightfoot-Kunitake, Director</b>  | Associate, McLane Middleton                                       |
| <b>Susan Martore-Baker, Director</b>   | President<br>Cambridge Trust Co. of NH                            |
| <b>Genella McDonald, Director</b>  | President   |

|                                    |  |
|------------------------------------|--|
|                                    | Stibler Associates                                   |
| <b>Tracey Pelton, Director</b>     | VP, Business Dev & Mktg<br>PROCON LLC                |
| <b>Richard Rawlings, Director</b>  | Northwestern Mutual (Retired)                        |
| <b>Nathan Saller, Director</b>     | President & CEO<br>Bellwether Community Credit Union |
| <b>Sgt. Amanda Smith, Director</b> | Manchester NH Police Dept                            |
| <b>Rob Wiczorek, Director</b>      | President, Wiczorek Insurance                        |
|                                    |  |

**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> |
|-----------------------|----------------------------|----------------------|---------------------------------------|
| <b>Catherine Kuhn</b> | Chief Operating Officer    | \$245,100            | \$0                                   |
| <b>Amy Joslin</b>     | SVP of Practice Management | \$133,900            | \$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).

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**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>

|      |   |                                   |            |    |       |   |           |
|------|---|-----------------------------------|------------|----|-------|---|-----------|
| 3015 | Manchester Alcoholism Rehabilitation Center | 700 Lake Ave Manchester, NH 03103 | Manchester | NH | 03103 | G | 7/15/2026 |
|------|---|-----------------------------------|------------|----|-------|---|-----------|

**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 &amp; wages</i>                               | \$              |
| <i>Interest &amp; Dividends</i> | \$             | <i>Payroll taxes &amp; 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>   | \$              |

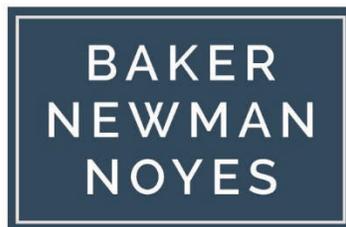
## 2. BALANCE SHEET

| <u>Assets</u>   |    | <u>Liabilities</u>           |    |
|---|----|------------------------------|----|
| <i>Cash &amp; 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 &amp; Equipment (less any depreciation)</i> | \$ | <u>Total Liabilities</u>     | \$ |
| <i>Pledges, grants, accounts receivable</i>                   | \$ |                              |    |
| <i>All other assets</i>                                       | \$ |                              |    |
| <u>Total Assets</u>   | \$ |                              |    |



Mission:

Easterseals provides exceptional services to ensure that all people with disabilities or special needs and their families have equal opportunities to live, learn, work and play in their communities.



# **Easter Seals New Hampshire, Inc. and Subsidiaries**

**Consolidated Financial Statements and  
Other Financial Information**

*For the Years Ended August 31, 2024 and 2023  
With Independent Auditors' Report*

Baker Newman & Noyes LLC  
MAINE | MASSACHUSETTS | NEW HAMPSHIRE  
800.244.7444 | [www.bnn CPA.com](http://www.bnn CPA.com)



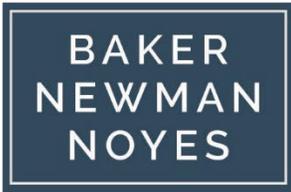
**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
OTHER FINANCIAL INFORMATION**

For the Years Ended August 31, 2024 and 2023

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Easter Seals New Hampshire, Inc. and Subsidiaries

### Opinion

We have audited the consolidated financial statements of Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH), which comprise the consolidated statements of financial position as of August 31, 2024 and 2023, and the related consolidated statements of operations, changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Easter Seals NH as of August 31, 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 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Easter Seals NH and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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.

Board of Directors  
Easter Seals New Hampshire, Inc. and Subsidiaries

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 Easter Seals NH's ability to continue as a going concern for a period of within one year after the date that the financial statements are issued or available to be issued.

### **Auditors' 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 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 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 GAAS 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 Easter Seals NH'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 Easter Seals NH'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.

### **Other Financial Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying other financial information 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 audits 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.

Board of Directors  
Easter Seals New Hampshire, Inc. and Subsidiaries

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2025 on our consideration of Easter Seals NH's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Easter Seals NH'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 Easter Seals NH's internal control over financial reporting and compliance.

Baker Newman & Noyes LLC

Manchester, New Hampshire  
January 10, 2025

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

August 31, 2024 and 2023

|  | <u>2024</u>           | <u>2023</u>         |
|--|-----------------------|---------------------|
| <u>ASSETS</u>                                      |                       |                     |
| Current assets:                                    |                       |                     |
| Cash and cash equivalents                          | \$ 1,375,548          | \$ 8,218,081        |
| Restricted cash                                    | 1,889,392             | 99,784              |
| Short-term investments, at fair value              | 10,842,829            | 10,230,068          |
| Accounts receivable from related entity            | 1,249,666             | 1,818,919           |
| Program and other accounts receivable, net         | 19,164,673            | 14,392,502          |
| Contributions receivable, net                      | 1,044,911             | 128,919             |
| Prepaid expenses and other current assets          | <u>1,248,915</u>      | <u>1,404,684</u>    |
| Total current assets                               | 36,815,934            | 36,292,957          |
| Assets limited as to use                           | 2,239,818             | 1,972,288           |
| Investments, at fair value                         | 15,567,221            | 13,661,880          |
| Investment in related entity                       | 152,320               | 1,742               |
| Other assets                                       | 828,060               | 327,763             |
| Intangible assets                                  | 836,920               | 736,658             |
| Operating lease right-of-use assets                | 3,794,674             | 2,651,831           |
| Fixed assets, net                                  | <u>41,119,435</u>     | <u>28,576,337</u>   |
|  | <u>\$ 101,354,382</u> | <u>\$84,221,456</u> |
| <u>LIABILITIES AND NET ASSETS</u>                  |                       |                     |
| Current liabilities:                               |                       |                     |
| Lines of credit                                    | \$ 2,348,665          | \$ –                |
| Accounts payable                                   | 7,293,937             | 5,126,679           |
| Accrued expenses                                   | 7,651,219             | 6,434,951           |
| Deferred revenue                                   | 4,287,640             | 2,537,974           |
| Current portion of operating lease liabilities     | 992,798               | 905,606             |
| Current portion of interest rate swap agreement    | 69,469                | 15,663              |
| Current portion of long-term debt                  | <u>1,060,640</u>      | <u>1,021,877</u>    |
| Total current liabilities                          | 23,704,368            | 16,042,750          |
| Other liabilities                                  | 2,461,407             | 2,212,980           |
| Interest rate swap agreement, less current portion | 524,707               | 516,017             |
| Operating lease liabilities, less current portion  | 2,844,492             | 1,772,949           |
| Long-term debt, less current portion, net          | <u>16,949,666</u>     | <u>16,843,611</u>   |
| Total liabilities                                  | 46,484,640            | 37,388,307          |
| Net assets:  |                       |                     |
| Without donor restrictions                         | 42,435,000            | 40,782,371          |
| With donor restrictions                            | <u>12,434,742</u>     | <u>6,050,778</u>    |
| Total net assets                                   | <u>54,869,742</u>     | <u>46,833,149</u>   |
|  | <u>\$ 101,354,382</u> | <u>\$84,221,456</u> |

See accompanying notes.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended August 31, 2024 and 2023

|  | <u>2024</u>         | <u>2023</u>         |
|--|---------------------|---------------------|
| Public support and revenue:  |                     |                     |
| Public support:  |                     |                     |
| Contributions, net   | \$ 577,068          | \$ 573,410          |
| Special events, net  | 1,234,610           | 893,434             |
| Annual campaigns, net  | 369,785             | 371,067             |
| Bequests   | 56,693              | 141,913             |
| Net assets released from restrictions                                    | <u>230,376</u>      | <u>367,288</u>      |
| Total public support   | 2,468,532           | 2,347,112           |
| Revenue:   |                     |                     |
| Fees and tuition   | 104,663,955         | 72,514,361          |
| Grants   | 17,070,226          | 33,639,114          |
| Management and developer fees  | 122,069             | —                   |
| Gain on extinguishment of debt   | —                   | 750,000             |
| Dividend and interest income   | 1,432,114           | 1,481,819           |
| Other  | <u>131,619</u>      | <u>163,697</u>      |
| Total revenue  | <u>123,419,983</u>  | <u>108,548,991</u>  |
| Total public support and revenue   | 125,888,515         | 110,896,103         |
| Operating expenses:  |                     |                     |
| Program services:  |                     |                     |
| Public health education  | 26,687              | 18,834              |
| Professional education   | 254,121             | 147,597             |
| Direct services  | <u>108,701,353</u>  | <u>94,561,105</u>   |
| Total program services   | 108,982,161         | 94,727,536          |
| Supporting services:   |                     |                     |
| Management and general   | 13,397,910          | 10,706,017          |
| Fundraising  | <u>3,044,480</u>    | <u>2,367,000</u>    |
| Total supporting services  | <u>16,442,390</u>   | <u>13,073,017</u>   |
| Total functional expenses  | 125,424,551         | 107,800,553         |
| Support of National programs   | <u>181,245</u>      | <u>166,882</u>      |
| Total operating expenses   | <u>125,605,796</u>  | <u>107,967,435</u>  |
| Income from operations   | 282,719             | 2,928,668           |
| Nonoperating (losses) gains:   |                     |                     |
| Change in fair value of interest rate swap                               | (62,496)            | 463,504             |
| Net unrealized and realized gains (losses) on investments                | 1,567,423           | (71,744)            |
| (Loss) gain on sales and disposals of fixed assets                       | <u>(42,877)</u>     | <u>11,077</u>       |
| Total nonoperating gains   | <u>1,462,050</u>    | <u>402,837</u>      |
| Excess public support and revenues, and nonoperating gains over expenses | <u>\$ 1,744,769</u> | <u>\$ 3,331,505</u> |

See accompanying notes.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**

Years Ended August 31, 2024 and 2023

|   | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With<br/>Donor<br/>Restrictions</u> | <u>Total<br/>Net Assets</u> |
|---|---|--|-----------------------------|
| Balances at September 1, 2022   | \$37,450,866                              | \$ 5,978,715                           | \$43,429,581                |
| Excess public support and revenues,<br>and nonoperating gains over expenses | 3,331,505                                 | –                                      | 3,331,505                   |
| Restricted net unrealized and realized gains on investments                 | –   | 48,920                                 | 48,920                      |
| Restricted dividend and interest income                                     | –   | 17,420                                 | 17,420                      |
| Restricted gifts, bequests and contributions, net                           | –   | 377,364                                | 377,364                     |
| Decrease in fair value of beneficial interest in trust                      | –   | (4,353)                                | (4,353)                     |
| Net assets released from restrictions used for operations                   | <u>–</u>                                  | <u>(367,288)</u>                       | <u>(367,288)</u>            |
| Increase in net assets  | <u>3,331,505</u>                          | <u>72,063</u>                          | <u>3,403,568</u>            |
| Balances at August 31, 2023   | 40,782,371                                | 6,050,778                              | 46,833,149                  |
| Excess public support and revenues,<br>and nonoperating gains over expenses | 1,744,769                                 | –                                      | 1,744,769                   |
| Restricted net unrealized and realized gains on investments                 | –   | 137,313                                | 137,313                     |
| Restricted dividend and interest income                                     | –   | 19,077                                 | 19,077                      |
| Restricted gifts, bequests and contributions, net                           | –   | 2,637,337                              | 2,637,337                   |
| Restricted grants   | –   | 3,728,359                              | 3,728,359                   |
| Increase in fair value of beneficial interest in trust                      | –   | 114                                    | 114                         |
| Net assets released from restrictions used for operations                   | –   | (230,376)                              | (230,376)                   |
| Other   | <u>(92,140)</u>                           | <u>92,140</u>                          | <u>–</u>                    |
| Increase in net assets  | <u>1,652,629</u>                          | <u>6,383,964</u>                       | <u>8,036,593</u>            |
| Balances at August 31, 2024   | <u>\$42,435,000</u>                       | <u>\$12,434,742</u>                    | <u>\$54,869,742</u>         |

See accompanying notes.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended August 31, 2024

|   | Program Services        |                        |                       | Supporting Services    |                    | Total Program and Supporting Services Expenses |
|---|-------------------------|------------------------|-----------------------|------------------------|--------------------|--|
|   | Public Health Education | Professional Education | Direct Services       | Management and General | Fund-Raising       |  |
|   |                         |                        | Total                 | Total                  | Total              |  |
| Salaries and related expenses                   | \$ 7,646                | \$ -                   | \$ 84,199,689         | \$ 7,830,856           | \$ 1,573,820       | \$ 93,612,011                                  |
| Professional fees                               | 750                     | 173,192                | 9,889,716             | 4,272,253              | 358,565            | 14,694,476                                     |
| Supplies  | 1,454                   | 26,715                 | 2,291,888             | 69,622                 | 56,437             | 2,446,116                                      |
| Telephone                                       | -                       | -                      | 614,365               | 182,694                | 5,597              | 802,656  |
| Postage and shipping                            | -                       | -                      | 35,564                | 18,915                 | 4,246              | 58,725   |
| Occupancy                                       | -                       | -                      | 3,003,153             | 469,567                | 87,455             | 3,560,175                                      |
| Outside printing, artwork and media             | 1,336                   | -                      | 13,392                | 8,893                  | 55,931             | 79,552   |
| Travel  | 7                       | 49                     | 1,812,026             | 12,790                 | 4,519              | 1,829,391                                      |
| Conventions and meetings                        | 7,435                   | 52,350                 | 154,640               | 30,090                 | 25,305             | 269,820  |
| Specific assistance to individuals              | -                       | -                      | 1,280,408             | -                      | 198                | 1,280,606                                      |
| Dues and subscriptions                          | -                       | 1,615                  | 30,004                | 9,728                  | 7,711              | 49,058   |
| Minor equipment purchases and equipment rentals | 8,002                   | -                      | 246,193               | 85,815                 | 39,353             | 379,363  |
| Ads, fees and miscellaneous                     | 57                      | -                      | 557,999               | 24,212                 | 749,536            | 1,331,804                                      |
| Interest  | -                       | -                      | 719,759               | 238,790                | -                  | 958,549  |
| Depreciation and amortization                   | -                       | 200                    | 1,729,121             | 143,685                | 75,807             | 1,948,813                                      |
| Other program expenses                          | -                       | -                      | 2,123,436             | -                      | -                  | 2,123,436                                      |
|   | <u>\$26,687</u>         | <u>\$254,121</u>       | <u>\$ 108,701,353</u> | <u>\$13,397,910</u>    | <u>\$3,044,480</u> | <u>\$ 125,424,551</u>                          |
|   | 0.02%                   | 0.20%                  | 86.67%                | 10.68%                 | 2.43%              | 100.00%  |
|   |                         |                        | 86.89%                | 10.68%                 | 2.43%              | 100.00%  |
|   |                         |                        | 86.89%                | 10.68%                 | 2.43%              | 100.00%  |

See accompanying notes.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended August 31, 2023

|   | Program Services        |                        |                      | Supporting Services    |                     |                      | Total Program and Supporting Services Expenses |
|---|-------------------------|------------------------|----------------------|------------------------|---------------------|----------------------|--|
|   | Public Health Education | Professional Education | Direct Services      | Management and General | Fund-Raising        | Total                |  |
| Salaries and related expenses                   | \$ 3,942                | \$ -                   | \$71,521,335         | \$ 6,918,354           | \$ 1,313,590        | \$ 8,231,944         | \$ 79,757,221                                  |
| Professional fees                               | 9,855                   | 114,704                | 9,673,062            | 2,558,882              | 291,742             | 2,850,624            | 12,648,245                                     |
| Supplies  | 456                     | 2,130                  | 2,055,872            | 138,373                | 32,625              | 170,998              | 2,229,456                                      |
| Telephone                                       | 2                       | -                      | 547,120              | 212,927                | 3,625               | 216,552              | 763,674  |
| Postage and shipping                            | 156                     | -                      | 39,423               | 17,880                 | 6,964               | 24,844               | 64,423   |
| Occupancy                                       | -                       | -                      | 3,058,697            | 392,693                | 46,875              | 439,568              | 3,498,265                                      |
| Outside printing, artwork and media             | 405                     | 1,124                  | 7,668                | 3,688                  | 38,081              | 41,769               | 50,966   |
| Travel  | 3                       | -                      | 1,742,011            | 12,662                 | 4,024               | 16,686               | 1,758,700                                      |
| Conventions and meetings                        | 3,992                   | 28,977                 | 225,364              | 26,566                 | 12,034              | 38,600               | 296,933  |
| Specific assistance to individuals              | -                       | -                      | 1,553,980            | 315                    | -                   | 315                  | 1,554,295                                      |
| Dues and subscriptions                          | -                       | -                      | 33,088               | 13,850                 | 2,581               | 16,431               | 49,519   |
| Minor equipment purchases and equipment rentals | -                       | 645                    | 153,728              | 84,726                 | 41,751              | 126,477              | 280,850  |
| Ads, fees and miscellaneous                     | 23                      | -                      | 611,695              | 33,525                 | 561,991             | 595,516              | 1,207,234                                      |
| Interest  | -                       | -                      | 652,777              | 138,061                | -                   | 138,061              | 790,838  |
| Depreciation and amortization                   | -                       | 17                     | 1,710,285            | 153,515                | 11,117              | 164,632              | 1,874,934                                      |
| Other program expenses                          | -                       | -                      | 975,000              | -                      | -                   | -                    | 975,000  |
|   | <u>\$ 18,834</u>        | <u>\$ 147,597</u>      | <u>\$ 94,561,105</u> | <u>\$ 10,706,017</u>   | <u>\$ 2,367,000</u> | <u>\$ 13,073,017</u> | <u>\$ 107,800,553</u>                          |
|   | 0.02%                   | 0.14%                  | 87.72%               | 9.93%                  | 2.19%               | 12.12%               | 100.00%  |

See accompanying notes.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended August 31, 2024 and 2023

|  | <u>2024</u>         | <u>2023</u>         |
|--|---------------------|---------------------|
| Cash flows from operating activities:  |                     |                     |
| Increase in net assets   | \$ 8,036,593        | \$ 3,403,568        |
| Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities: |                     |                     |
| Depreciation and amortization  | 1,948,813           | 1,874,934           |
| Noncash lease expense  | 15,892              | 26,724              |
| Bond issuance costs amortization   | 6,110               | 6,110               |
| (Increase) decrease in fair value of beneficial interest in trust held by others                     | (114)               | 4,353               |
| Net loss (gain) on sales and disposals of fixed assets   | 42,877              | (11,077)            |
| Change in fair value of interest rate swap   | 62,496              | (463,504)           |
| Gain on extinguishment of debt   | -                   | (750,000)           |
| Net unrealized and realized (gains) losses on investments  | (1,704,736)         | 22,824              |
| Donor restricted contributions   | (2,075,112)         | (353,464)           |
| Changes in operating assets and liabilities:   |                     |                     |
| Program and other accounts receivable, net   | (4,772,171)         | (4,643,861)         |
| Accounts receivable from related entity  | 569,253             | (1,424,603)         |
| Contributions receivable   | (915,992)           | 43,334              |
| Prepaid expenses and other current assets  | 155,769             | (496,775)           |
| Other assets   | (500,183)           | 17,038              |
| Accounts payable and accrued expenses  | 1,647,818           | 1,499,196           |
| Deferred revenue   | 1,749,666           | (1,310,671)         |
| Other liabilities  | <u>248,427</u>      | <u>82,658</u>       |
| Net cash provided (used) by operating activities   | 4,515,406           | (2,473,216)         |
| Cash flows from investing activities:  |                     |                     |
| Purchases of fixed assets  | (12,356,879)        | (2,902,728)         |
| Proceeds from sale of fixed assets   | 62,659              | 15,976              |
| Purchases of intangible assets   | (605,122)           | -                   |
| Change in investments, net   | (813,366)           | (439,778)           |
| Change in assets limited as to use   | (267,530)           | (134,843)           |
| Investment in related entity   | <u>(150,578)</u>    | <u>-</u>            |
| Net cash used by investing activities  | (14,130,816)        | (3,461,373)         |
| Cash flows from financing activities:  |                     |                     |
| Repayment of long-term debt  | (1,030,092)         | (1,018,590)         |
| Proceeds from long-term debt   | 1,168,800           | -                   |
| Borrowings on lines of credit, net   | 2,348,665           | -                   |
| Donor restricted contributions   | <u>2,075,112</u>    | <u>353,464</u>      |
| Net cash provided (used) by financing activities   | <u>4,562,485</u>    | <u>(665,126)</u>    |
| Decrease in cash, cash equivalents and restricted cash   | (5,052,925)         | (6,599,715)         |
| Cash, cash equivalents and restricted cash, beginning of year  | <u>8,317,865</u>    | <u>14,917,580</u>   |
| Cash, cash equivalents and restricted cash, end of year  | \$ <u>3,264,940</u> | \$ <u>8,317,865</u> |

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

Years Ended August 31, 2024 and 2023

|  | <u>2024</u>         | <u>2023</u>         |
|--|---------------------|---------------------|
| Supplemental disclosure of cash flow information:  |                     |                     |
| Interest paid  | \$ <u>959,000</u>   | \$ <u>791,000</u>   |
| Operating cash flows for operating leases  | \$ <u>1,377,142</u> | \$ <u>1,265,742</u> |
| Supplemental disclosure of noncash activities:   |                     |                     |
| Fixed asset purchases included in accounts payable at end of year                        | \$ <u>2,751,585</u> | \$ <u>511,017</u>   |
| Intangible asset purchases included in accounts payable at end of year                   | \$ <u>231,798</u>   | \$ <u>736,658</u>   |
| Operating lease right-of-use assets obtained in exchange for operating lease liabilities | \$ <u>2,745,002</u> | \$ <u>3,853,603</u> |

See accompanying notes.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**1. Corporate Organization and Purpose**

Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH) consists of various separate nonprofit entities: Easter Seals New Hampshire, Inc. (parent and service corporation); Manchester Alcoholism Rehabilitation Center (Farnum Center); and Easter Seals Vermont, Inc. (Easter Seals VT). Additionally, Champlin Place, Inc., was formed on June 30, 2022 and was 100% owned by Easter Seals New Hampshire, Inc. In April 2023, Easter Seals NH transferred a 21% interest in Champlin Place, Inc. to Housing Affordability Partnership, LLC. Champlin Place, Inc. is the sole General Partner of Champlin Place Limited Partnership (the Champlin Place Partnership). Champlin Place, Inc. has a 0.01% ownership interest in the Champlin Place Partnership, but oversees certain management and operational aspects of the Champlin Place Partnership subject to the terms set forth in the limited partnership agreement. See note 15. ESNH Veterans, Inc., was formed on September 15, 2023 and is 100% owned by Easter Seals New Hampshire, Inc. ESNH Veterans, Inc. is the sole General Partner of Elms Farm Housing Limited Partnership (the Elms Farm Partnership). ESNH Veterans, Inc. has a 0.01% ownership interest in the Elms Farm Partnership, but oversees certain management and operational aspects of the Elms Farm Partnership subject to the terms set forth in the limited partnership agreement. See note 16. Easter Seals New Hampshire, Inc. is the sole member of each subsidiary, aside from Champlin Place, Inc. for which they have a 79% interest, as described above. Easter Seals NH is affiliated with Easter Seals, Inc. (the national headquarters for the organization).

Easter Seals NH's purpose is to provide plans of care comprising of thoughtfully integrated services that help those with varied abilities live, learn, work, and play throughout their lifetimes. Easter Seals NH operates programs throughout New Hampshire and Vermont.

**2. Summary of Significant Accounting Policies***Principles of Consolidation and Noncontrolling Interests*

The consolidated financial statements include the accounts of Easter Seals New Hampshire, Inc. and the subsidiaries of which it is the sole member and the less-than-wholly-owned subsidiary of which they maintain a controlling interest as described in notes 1 and 15. Champlin Place, Inc. has a 0.01% owned interest in the project described in note 15, which has only recently commenced planned principal operations and thus has not provided any distributions from the Champlin Place Partnership. Accordingly, there is no investment in the less-than-wholly-owned subsidiary to present separately in the accompanying consolidated statements of financial position, and no increase (decrease) in net assets attributed to the controlling and noncontrolling interests to present separately in the accompanying consolidated statements of operations and changes in net assets. Significant intercompany accounts and transactions have been eliminated in consolidation.

*Cash, Cash Equivalents and Restricted Cash*

Easter Seals NH considers all highly liquid securities purchased with an original maturity of 90 days or less to be cash equivalents. Cash equivalents consist of cash, and money market funds, excluding assets limited as to use.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

#### 2. Summary of Significant Accounting Policies (Continued)

Easter Seals NH maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed amounts guaranteed by the Federal Deposit Insurance Corporation. Financial instruments which subject Easter Seals NH to credit risk consist primarily of cash equivalents and investments. Easter Seals NH's investment portfolio consists of diversified investments, which are subject to market risk. Investments that exceeded 10% of investments include the Lord Abbett Short Duration Income A Fund with a balance of \$9,859,703 and \$9,246,915 as of August 31, 2024 and 2023, respectively.

Restricted cash represents reserve accounts held by New Hampshire Housing Finance Authority (NHHFA) for insurance, taxes, replacement costs and operations, security deposit accounts held for tenants, a business certificate with Service Credit Union and a compensating balance arrangement with M&T Bank.

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows at August 31:

|                           | <u>2024</u>        | <u>2023</u>        |
|---------------------------|--------------------|--------------------|
| Cash and cash equivalents | \$1,375,548        | \$8,218,081        |
| Restricted cash           | <u>1,889,392</u>   | <u>99,784</u>      |
|                           | <u>\$3,264,940</u> | <u>\$8,317,865</u> |

#### Assets Limited as to Use and Investments

Assets limited as to use consists of cash and cash equivalents, short-term certificates of deposit with original maturities greater than 90 days, but less than one year, and investments. Investments are stated at fair value. Easter Seals NH classifies its investments as trading with investment income (including realized and unrealized gains and losses on investments, interest and dividends) included in the excess (deficit) of public support and revenues, and nonoperating gains over expenses unless the income is restricted by donor or law. Realized gains and losses on investments are computed on a specific identification basis. The changes in net unrealized and realized gains and losses on investments are recorded in net unrealized and realized gains (losses) on investments in the accompanying consolidated statements of operations and restricted investment return, net in the accompanying consolidated statements of changes in net assets. Donated securities are stated at fair value determined at the date of donation.

#### Beneficial Interest in Trust

Easter Seals NH is the beneficiary of a trust held by others recorded in other assets in the accompanying consolidated statements of financial position. Easter Seals NH has recorded as an asset the fair value of its interest in the trust and such amount is included in net assets with donor restrictions, based on the underlying donor stipulations. The change in the interest due to fair value change is recorded within increase/decrease in fair value of beneficial interest in trust in the accompanying consolidated statements of changes in net assets.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**2. Summary of Significant Accounting Policies (Continued)***Fixed Assets*

Fixed assets are recorded at cost less accumulated depreciation and amortization. Expenditures for maintenance and repairs are charged to expense as incurred, and expenditures for major renovations are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the underlying assets. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the asset.

Fixed assets obtained by Easter Seals NH as a result of acquisitions are recorded at estimated fair value as of the date of the acquisition in accordance with generally accepted accounting principles guidance for acquisitions by a not-for-profit entity.

Donated property and equipment not subject to donor stipulated conditions 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 restricted support or, if significant uncertainties exist, as deferred revenue pending resolution of the uncertainties. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions.

*Internal-Use Software Costs*

The Company expenses costs incurred in the preliminary project stage of developing or acquiring internal use software, such as research and feasibility studies as well as costs incurred post-implementation operational stage, such as maintenance and training. Capitalization of internal-use software costs occurs only after the preliminary-project stage is complete, management authorizes the project, and it is probable that the project will be completed and the software will be used for the function intended. There were \$100,262 and \$736,658 of internal-use software costs capitalized during the years ended August 31, 2024 and 2023. These amounts are recorded in intangible assets in the accompanying consolidated statements of financial position. The capitalized costs will be amortized on a straight-line basis over the estimated useful life of the software, generally up to 5 years, once placed in service. There was no amortization expense recognized in 2024 or 2023. Easter Seals NH expects the project to be placed in service in January 2025.

*Long-Lived Assets*

When there is an indication of impairment, management considers whether long-lived assets are impaired by comparing gross future undiscounted cash flows expected to be generated from utilizing the assets to their carrying amounts. If cash flows are not sufficient to recover the carrying amount of the assets, impairment has occurred, and the assets are written down to their fair value. Significant estimates and assumptions are required to be made by management in order to evaluate possible impairment.

No long-lived assets were deemed impaired in 2024 or 2023.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**2. Summary of Significant Accounting Policies (Continued)***Bond Issuance Costs*

Bond issuance costs are being amortized to interest expense using the straight-line method over the repayment period of the related bonds, or the expected time until the next refinancing, whichever is shorter. Interest expense recognized on the amortization of bond issuance costs during 2024 and 2023 was \$6,110. The bond issuance costs are presented as a component of long-term debt on the accompanying consolidated statements of financial position.

*Public Support*

Public support consists of contributions, special events, annual campaigns, bequests and net assets released from restrictions. Special events and annual campaigns are recorded net of related direct costs. Direct costs attributed to special events totaled \$892,979 and \$748,203 for the years ending August 31, 2024 and 2023, respectively. Direct costs attributed to annual campaigns totaled \$49,416 and \$34,023 for the years ending August 31, 2024 and 2023, respectively.

*Revenue Recognition and Program and Other Accounts Receivable*

Easter Seals NH accounts for revenues (mainly relating to fees and tuition and management and developer fees in the accompanying consolidated statements of operations) under Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, and determines the amount of revenue to be recognized through application of the following steps:

- Identification of the contract with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as Easter Seals NH satisfies the performance obligations.

Easter Seals NH determines the transaction price based on standard charges for goods and services provided, reduced by any applicable discounts, contractual adjustments provided to third-party payors, or explicit and implicit price concessions provided to groups or individuals. A performance obligation is a promise in a contract with a customer to transfer products or services that are distinct. Determining whether products and services are distinct performance obligations that should be accounted for separately or combined as one unit of accounting may require significant judgement.

A significant portion of Easter Seals NH's revenues are derived through arrangements with third-party payors that provide for payment at amounts different from its established rates. Payment arrangements include discounted charges and prospectively determined payments. As such, Easter Seals NH is dependent on these payors in order to carry out its operating activities. 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 fees and tuition in the year that such amounts become known.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**2. Summary of Significant Accounting Policies (Continued)**

Revenues are recognized when performance obligations are satisfied, or attributable to the period in which specific terms of the funding agreement are satisfied, and to the extent that expenses have been incurred for the purposes specified by the funding source. Revenue balances in excess of the foregoing amounts are deferred until any restrictions are met or allowable expenditures are incurred.

The collection of outstanding receivables from third-party payors, patients and other clients is Easter Seals NH's primary source of cash and is critical to its operating performance. The primary collection risks relate to uninsured accounts, including accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but individual responsibility amounts (deductibles and copayments) remain outstanding. Implicit price concessions relate primarily to amounts due directly from patients and other clients. Estimated implicit price concessions are recorded for all uninsured accounts, regardless of the aging of those accounts. Accounts are written off when all reasonable internal and external collection efforts have been performed. The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections, business and economic conditions, trends in federal, state and private employer health care coverage and other collection indicators. Management relies on the results of detailed reviews of historical write-offs and collections at facilities and programs that represent a majority of revenues and accounts receivable (the "hindsight analysis") as a primary source of information in estimating the collectibility of accounts receivable. Management performs the hindsight analysis regularly, utilizing rolling accounts receivable collection and write-off data. Management believes its regular updates to the estimated implicit price concession amounts provide reasonable estimates of revenues and valuations of accounts receivable. These routine, regular changes in estimates have not resulted in material adjustments to the valuations of accounts receivable or period-to-period comparisons of operations. At August 31, 2024, 2023, and 2022, estimated implicit price concessions of \$689,100, \$871,700 and \$855,900, respectively, had been recorded as reductions to program and other accounts receivable balances to enable Easter Seals NH to record revenues and accounts receivable at the estimated amounts expected to be collected. Accounts receivable amounted to \$19,164,673, \$14,392,502, and \$9,748,641 at August 31, 2024, 2023, and 2022, respectively.

Unconditional contributions are recognized when the promise to give is made and are recorded at the net present value of estimated future cash flows.

**Advertising**

Easter Seals NH's policy is to expense advertising costs as incurred.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of operations and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services based mainly on time records and estimates made by Easter Seals NH's management.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**2. Summary of Significant Accounting Policies (Continued)***Charity Care (Unaudited)*

Easter Seals NH has a formal charity care policy under which program fees are subsidized as determined by the Board of Directors. Free and subsidized services are rendered in accordance with decisions made by the Board of Directors and, at established charges, amounted to approximately \$9,590,000 and \$9,020,000 for the years ended August 31, 2024, and 2023, respectively.

*Leases*

At inception of a contract, Easter Seals NH determines whether that contract is or contains a lease. Easter Seals NH determines whether a contract contains a lease by assessing whether there is an identified asset and whether the contract conveys the right to control the use of the identified asset for a period of time in exchange for consideration. Easter Seals NH has control of the asset if it has the right to direct the use of the asset and obtains substantially all of the economic benefits from the use of the asset throughout the period of use. This determination is reassessed if the terms of the contract are changed.

Easter Seals NH leases residential and office space (real estate) under non-cancellable operating leases. The carrying value of the organization's right-of-use lease assets is substantially concentrated in its real estate leases. As a practical expedient, Easter Seals NH does not recognize a lease asset or lease liability for leases with a lease term of 12 months or less. In the determination of the lease term, the organization considers the existence of extension or termination options and the probability of those options being exercised.

Leases are classified as operating or finance leases based on the terms of the lease agreement and certain characteristics of the identified asset. Right-of-use assets represent Easter Seals NH's right to use an underlying asset during the lease term and lease liabilities represent the organization's obligation to make lease payments arising from the lease. Right-of-use assets and liabilities are recognized at the commencement date, based on the net present value of fixed lease payments over the lease term. Lease terms include options to extend or terminate the lease when it is reasonably certain that the options will be exercised. Assumptions made at the lease commencement date are re-evaluated upon the occurrence of certain events, including a lease modification. A lease modification results in a separate contract when the modification grants the lessee an additional right-of-use not included in the original lease and when lease payments increase commensurate with the standalone price for the additional right-of-use. When a lease modification results in a separate contract, it is accounted for in the same manner as a new lease.

At the lease commencement date, the discount rate implicit in the lease is used to discount the lease liability if readily determinable. If not readily determinable or leases do not contain an implicit rate, Easter Seals NH has made a policy election to use a risk-free rate as the discount rate for all classes of underlying assets.

In addition to rent, the leases may require Easter Seals NH to pay additional amounts for taxes, insurance, maintenance and other expenses, which are generally referred to as nonlease components. For all asset classes, the organization has elected the lessee practical expedient to combine lease and nonlease components and account for the combined unit as a single lease component. Variable nonlease components are treated as variable lease payments and recognized in the period in which the obligation for these payments was incurred.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**2. Summary of Significant Accounting Policies (Continued)***Income Taxes*

Easter Seals New Hampshire, Inc., Easter Seals VT and Farnum Center are exempt from both federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, with the exception of certain federal taxes applicable to not-for-profit entities.

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position historically taken on various tax exposure items including unrelated business income or tax status. In accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the “more-likely-than-not” threshold, based upon the technical merits of the position.

Champlin Place, Inc. and ESNH Veterans, Inc. are for-profit organizations subject to federal and state taxes. Deferred income taxes of these for-profit organizations are computed using the asset and liability method under which deferred income tax assets and liabilities are computed based on temporary differences between the financial statement and tax bases of assets and/or liabilities which will result in taxable or deductible amounts on future tax returns. Champlin Place, Inc. and ESNH Veterans, Inc. record a valuation allowance against any deferred tax assets when it determines it is unlikely that the tax asset will be realized. No significant deferred income taxes have been realized for Champlin Place, Inc. and ESNH Veterans, Inc. since the entities’ inception.

Management has evaluated tax positions taken by Easter Seals New Hampshire, Inc., Easter Seals VT and Farnum Center on their respective filed tax returns and concluded that the organizations have maintained their tax-exempt status, do not have any significant unrelated business income, and have taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements. Champlin Place, Inc. and ESNH Veterans Inc.’s management has determined that the entities have not taken, nor expect to take, any uncertain tax positions in any income tax return.

*Use of Estimates*

The preparation of 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 financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used in accounting for explicit and implicit price concessions in revenue, workers’ compensation liabilities and contingencies.

*Derivatives and Hedging Activities*

Accounting guidance requires that Easter Seals NH record as an asset or liability the fair value of the interest rate swap agreement described in note 11. Easter Seals NH is exposed to repayment loss equal to the net amounts receivable under the swap agreement (not the notional amount) in the event of nonperformance of the other party to the swap agreement. However, Easter Seals NH does not anticipate nonperformance and does not obtain collateral from the other party. The swap, while serving as an economic hedge, does not qualify as an accounting hedge.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**2. Summary of Significant Accounting Policies (Continued)**

As of August 31, 2024, and 2023, Easter Seals NH had recognized a liability of \$594,176 and \$531,680, respectively, as a result of the interest rate swap agreements discussed in note 11. As a result of changes in the fair value of these derivative financial instruments, Easter Seals NH recognized a nonoperating loss of \$62,496 for the year ended August 31, 2024 and a nonoperating gain of \$463,504 for the year ended August 31, 2023 in the accompanying consolidated statements of operations.

*Increase in Net Assets from Operations*

The consolidated statements of operations include excess of public support and revenues, and nonoperating gains over expenses. Changes in net assets without donor restrictions, which are excluded from excess of public support and revenues, and nonoperating gains over expenses, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services, and certain contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets).

*Reclassifications*

Certain 2023 amounts have been reclassified to permit comparison with the 2024 consolidated financial statements presentation format.

*Newly Adopted Accounting Pronouncements*

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost. The ASU requires financial assets measured at amortized cost (including accounts receivable) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The measurement of credit losses for newly recognized financial assets and subsequent changes in the allowance for credit losses are recorded in the consolidated statement of operations as the amounts expected to be collected change. ASU 2016-13 is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Easter Seals NH adopted ASU 2016-13 effective September 1, 2023. The adoption of ASU 2016-13 did not have a significant impact on the consolidated financial statements.

*Subsequent Events*

Events occurring after the statement of financial position date are evaluated by management to determine whether such events should be recognized or disclosed in the consolidated financial statements. Management has evaluated events occurring between the end of Easter Seals NH's fiscal year end and January 10, 2025, the date these consolidated financial statements were available to be issued.

On November 13, 2024, the State of New Hampshire Department of Health and Human Services, Division for Behavioral Health awarded Farnum Center a Sustainable Solutions for SUD Services grant in the amount of \$2,259,878, of which \$797,469 supports operating losses from fiscal year 2024.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

### 3. Classification of Net Assets

The following provides a description of the net asset classifications represented in the Easter Seals NH consolidated statements of financial position:

In accordance with *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), net assets are classified and reported based on the existence or absence of donor-imposed restrictions. Net assets with donor restrictions include contributions and endowment investment earnings subject to donor-imposed restrictions, as well as irrevocable trusts and contributions receivable. Some donor-imposed restrictions are temporary in nature with restrictions that are expected to be met either by actions of Easter Seals NH and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources are to be maintained in perpetuity, the income from which is expendable to support all activities of the organization, or as stipulated by the donor.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as support without donor restrictions in the accompanying consolidated financial statements.

In accordance with UPMIFA, Easter Seals NH considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

#### Endowment Net Asset Composition by Type of Fund

The major categories of endowment funds included in net assets with donor restrictions at August 31, 2024 and 2023 are as follows:

|                            | <u>Original Donor<br/>Restricted Gift<br/>Maintained<br/>in Perpetuity</u> | <u>Accumulated<br/>Investment<br/>Gains</u> | <u>Total</u>       |
|----------------------------|--|---|--------------------|
| <u>2024</u>                |  |   |                    |
| Other initiatives          | \$1,504,040  | \$168,537                                   | \$1,672,577        |
| Operations                 | <u>3,863,501</u>   | <u>—</u>                                    | <u>3,863,501</u>   |
| Total endowment net assets | <u>\$5,367,541</u>   | <u>\$168,537</u>                            | <u>\$5,536,078</u> |

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**3. Classification of Net Assets (Continued)**

|                            | Original Donor<br>Restricted Gift<br>Maintained<br>in Perpetuity | Accumulated<br>Investment<br>Gains | Total              |
|----------------------------|--|------------------------------------|--------------------|
| <u>2023</u>                |  |                                    |                    |
| Other initiatives          | \$1,483,715  | \$75,412                           | \$1,559,127        |
| Operations                 | <u>3,835,088</u>   | <u>—</u>                           | <u>3,835,088</u>   |
| Total endowment net assets | <u>\$5,318,803</u>   | <u>\$75,412</u>                    | <u>\$5,394,215</u> |

Changes in Endowment Net Assets

During the years ended August 31, 2024 and 2023, Easter Seals NH had the following endowment-related activities:

|  |                    |
|--|--------------------|
| Net endowment assets, August 31, 2022      | \$5,327,475        |
| Investment return:                         |                    |
| Investment income, net of fees             | 13,098             |
| Net appreciation (realized and unrealized) | 14,857             |
| Contributions                              | 59,485             |
| Appropriated for expenditure               | <u>(20,700)</u>    |
| Net endowment assets, August 31, 2023      | 5,394,215          |
| Investment return:                         |                    |
| Investment income, net of fees             | 47,532             |
| Net appreciation (realized and unrealized) | 30,721             |
| Contributions                              | 77,145             |
| Appropriated for expenditure               | <u>(13,535)</u>    |
| Net endowment assets, August 31, 2024      | <u>\$5,536,078</u> |

Net assets were released from donor restrictions as follows for the years ended August 31:

|   | <u>2024</u>      | <u>2023</u>      |
|---|------------------|------------------|
| Satisfaction of donor restrictions      | \$216,841        | \$346,588        |
| Release of appropriated endowment funds | <u>13,535</u>    | <u>20,700</u>    |
|   | <u>\$230,376</u> | <u>\$367,288</u> |

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**3. Classification of Net Assets (Continued)**

In addition to endowment net assets, Easter Seals NH also maintains non-endowed funds. The major categories of non-endowment funds, at August 31, 2024 and 2023 are as follows:

|                                | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With<br/>Donor<br/>Restrictions</u> | <u>Total Non-<br/>Endowment<br/>Net Assets</u> |
|--------------------------------|---|--|--|
| <u>2024</u>                    |   |  |  |
| Other initiatives              | \$ —                                      | \$ 2,021,436                           | \$ 2,021,436                                   |
| Community development          | —   | 3,810,798                              | 3,810,798                                      |
| Operations                     | <u>42,435,000</u>                         | <u>1,066,430</u>                       | <u>43,501,430</u>                              |
| Total non-endowment net assets | <u>\$42,435,000</u>                       | <u>\$ 6,898,664</u>                    | <u>\$49,333,664</u>                            |
| <u>2023</u>                    |   |  |  |
| Other initiatives              | \$ —                                      | \$ 492,554                             | \$ 492,554                                     |
| Operations                     | <u>40,782,371</u>                         | <u>164,009</u>                         | <u>40,946,380</u>                              |
| Total non-endowment net assets | <u>\$40,782,371</u>                       | <u>\$ 656,563</u>                      | <u>\$41,438,934</u>                            |

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Easter Seals NH to retain as a fund of permanent duration. Deficiencies of this nature are reported in net assets with donor restrictions. There were no deficiencies between the fair value of the investments of the endowment funds and the level required by donor stipulation at August 31, 2024 or 2023.

Net assets with donor restrictions

Net assets with donor restrictions are available for the following purposes at August 31:

|   | <u>2024</u>         | <u>2023</u>         |
|---|---------------------|---------------------|
| Purpose restriction:  |                     |                     |
| Other initiatives   | \$ 2,021,436        | \$ 492,554          |
| Community development   | 3,810,798           | —                   |
| Operations  | <u>936,308</u>      | <u>33,500</u>       |
|   | 6,768,542           | 526,054             |
| Perpetual in nature:  |                     |                     |
| Original donor restricted gift amount and amounts<br>required to be maintained by donor | 5,371,306           | 5,323,070           |
| Investments, gains and income from which is donor restricted                            | 168,537             | 75,411              |
| Beneficial interest in perpetual trust  | <u>126,357</u>      | <u>126,243</u>      |
|   | <u>5,666,200</u>    | <u>5,524,724</u>    |
| Total net assets with donor restrictions  | <u>\$12,434,742</u> | <u>\$ 6,050,778</u> |

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**3. Classification of Net Assets (Continued)**

Net assets with donor restrictions are managed in accordance with donor intent and are invested in various portfolios.

*Investment and Spending Policies*

Easter Seals NH has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Easter Seals NH must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of an appropriate market index while assuming a moderate level of investment risk. Easter Seals NH expects its endowment funds to provide an average rate of return over a five-year period equal to the rate of 2% over the inflation rate. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, Easter Seals NH 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). Easter Seals NH targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Easter Seals NH may appropriate for distribution some or all of the earnings and appreciation on its endowment for funding of operations. In establishing this policy, Easter Seals NH considered the objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to, so long as it would not detract from Easter Seals NH's critical goals and initiatives, provide additional real growth through new gifts and investment return.

**4. Liquidity and Availability**

Financial assets available for general expenditure, such as for operating expenses, and which are without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date (August 31, 2024), comprise the following:

|  |                      |
|--|----------------------|
| Cash and cash equivalents                  | \$ 1,375,548         |
| Short-term investments, at fair value      | 10,842,829           |
| Program and other accounts receivable, net | 19,164,673           |
| Accounts receivable from related entity    | 1,249,666            |
| Contributions receivable, net              | <u>652,425</u>       |
|  | 33,285,141           |
| Investments, at fair value                 | <u>15,567,221</u>    |
|  | 48,852,362           |
| Less net assets with donor restrictions    | <u>(12,434,742)</u>  |
|  | <u>\$ 36,417,620</u> |

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2024 and 2023

**4. Liquidity and Availability (Continued)**

To manage liquidity, Easter Seals NH maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to Easter Seals NH. The management of Easter Seals NH has implemented a practice to establish cash reserves on hand that can be utilized at the discretion of management to help fund both operational needs and/or capital projects. As of August 31, 2024, and 2023, approximately \$579,000 and \$9,300,000, respectively, of cash and cash equivalents, and approximately \$10,840,000 and \$10,230,000, respectively, of investments were on-hand under this practice. Because such funds are available and may be used in current operations, they have been classified as current in the accompanying consolidated statements of financial position.

In addition, Easter Seals NH has \$12,651,335 available to borrow from the revolving lines of credit, further described in note 11, at August 31, 2024

**5. Contributions Receivable**

Contributions receivable from donors as of August 31, 2024 and 2023 are \$1,059,265 and \$151,248, respectively, net of an allowance for doubtful accounts of \$14,354 and \$22,329, respectively. The long-term portion of contributions receivable is recorded in other assets in the accompanying consolidated statements of financial position. Gross contributions are due as follows at August 31, 2024:

|      |                    |
|------|--------------------|
| 2025 | <u>\$1,059,265</u> |
|------|--------------------|

**6. Revenues**

Revenue by Easter Seals NH’s core programs included in fees and tuition and grants consisted of the following:

|                                       | <u>Fees and<br/>Tuition</u> | <u>Grants</u>       | <u>Total</u>          |
|---------------------------------------|-----------------------------|---------------------|-----------------------|
| <u>2024</u>                           |                             |                     |                       |
| Residential and educational services  | \$ 48,175,801               | \$ 376,910          | \$ 48,552,711         |
| Community based services              | 29,201,100                  | 1,158,649           | 30,359,749            |
| Farnum Center                         | 4,110,826                   | 5,384,091           | 9,494,917             |
| Family support services               | 7,847,921                   | 323,341             | 8,171,262             |
| Senior services                       | 4,787,742                   | 2,009,668           | 6,797,410             |
| Transportation services               | 3,933,748                   | 40,471              | 3,974,219             |
| Outpatient and early support services | 754,995                     | 3,045,133           | 3,800,128             |
| Children development services         | 1,522,625                   | 272,163             | 1,794,788             |
| Workforce development                 | 2,574,947                   | 225,011             | 2,799,958             |
| Other programs                        | <u>1,754,250</u>            | <u>4,234,789</u>    | <u>5,989,039</u>      |
|                                       | <u>\$ 104,663,955</u>       | <u>\$17,070,226</u> | <u>\$ 121,734,181</u> |

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**6. Revenues (Continued)**

|                                       | <u>Fees and<br/>Tuition</u> | <u>Grants</u>       | <u>Total</u>          |
|---------------------------------------|-----------------------------|---------------------|-----------------------|
| <u>2023</u>                           |                             |                     |                       |
| Residential and educational services  | \$38,501,744                | \$ 678,607          | \$ 39,180,351         |
| Community based services              | 6,884,950                   | 19,231,261          | 26,116,211            |
| Farnum Center                         | 5,777,281                   | 4,536,689           | 10,313,970            |
| Family support services               | 7,460,477                   | 523,748             | 7,984,225             |
| Senior services                       | 3,362,892                   | 2,529,714           | 5,892,606             |
| Transportation services               | 3,733,018                   | 23,193              | 3,756,211             |
| Outpatient and early support services | 1,010,235                   | 2,321,479           | 3,331,714             |
| Children development services         | 1,475,783                   | 683,060             | 2,158,843             |
| Workforce development                 | 2,913,738                   | 27,118              | 2,940,856             |
| Other programs                        | <u>1,394,243</u>            | <u>3,084,245</u>    | <u>4,478,488</u>      |
|                                       | <u>\$72,514,361</u>         | <u>\$33,639,114</u> | <u>\$ 106,153,475</u> |

Revenues related to providing health services are recorded at the contracted rate for those that involved a third-party payor and less any implicit price concession. Substantially all such adjustments in 2024 and 2023 are related to Farnum Center. A breakdown of Farnum Center’s revenue, net of eliminations, reflected in fees and tuition in 2024 and 2023 from major payor sources is as follows:

|   | <u>2024</u>        | <u>2023</u>         |
|---|--------------------|---------------------|
| Private payors (includes coinsurance and deductibles) | \$ 592,579         | \$ 1,325,768        |
| Medicaid  | 3,132,741          | 4,132,636           |
| Medicare  | 2,021              | 5,359               |
| Self-pay  | <u>383,485</u>     | <u>313,518</u>      |
|   | <u>\$4,110,826</u> | <u>\$ 5,777,281</u> |

In response to the coronavirus (COVID-19) pandemic, Easter Seals NH qualified for certain federal grant funding through the *Coronavirus Aid, Relief and Economic Security Act* (CARES Act) and CARES Act Provider Relief Funding. In 2024 and 2023, Easter Seals NH received approximately \$1,500,000 and \$4,850,000, respectively, of which approximately \$825,000 and \$1,600,000, respectively, was paid to employees either in the form of bonuses for retention and recruitment or employees who qualified for the additional payments under certain programs.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**7. Operating Leases**

Right-of use assets and lease liabilities are reported in the statement of financial position as follows at August 31:

|   | <u>2024</u>        | <u>2023</u>        |
|---|--------------------|--------------------|
| Assets:   |                    |                    |
| Operating lease right-of-use assets                 | <u>\$3,794,674</u> | <u>\$2,651,831</u> |
| Liabilities:  |                    |                    |
| Current portion of operating lease liabilities      | \$ 992,798         | \$ 905,606         |
| Operating lease liabilities, net of current portion | <u>2,844,492</u>   | <u>1,772,949</u>   |
| Total lease liabilities                             | <u>\$3,837,290</u> | <u>\$2,678,555</u> |

The components of lease cost and rent expense for the years ended August 31 are as follows:

|                       | <u>2024</u>        | <u>2023</u>        |
|-----------------------|--------------------|--------------------|
| Operating lease costs | \$1,393,034        | \$1,292,446        |
| Variable lease costs  | <u>111,046</u>     | <u>96,808</u>      |
| Total lease costs     | <u>\$1,504,080</u> | <u>\$1,389,254</u> |

Lease term and discount rate are as follows at August 31:

|  | <u>2024</u> | <u>2023</u> |
|--|-------------|-------------|
| Weighted-average remaining lease term in years | 4.77        | 3.87        |
| Weighted-average discount rate                 | 3.80%       | 3.38%       |

As of August 31, 2024, maturities of operating lease liabilities for each of the following five years and a total thereafter were as follows:

|                                     |                    |
|-------------------------------------|--------------------|
| 2025                                | \$1,116,474        |
| 2026                                | 952,705            |
| 2027                                | 858,567            |
| 2028                                | 537,515            |
| 2029                                | 259,661            |
| Thereafter                          | <u>480,873</u>     |
| Total future minimum lease payments | 4,205,795          |
| Less amounts representing interest  | <u>368,505</u>     |
| Total lease liabilities             | <u>\$3,837,290</u> |

Total minimum future lease payments (operating leases) of approximately \$152,000 for leases that have not commenced as of August 31, 2024 are not included in the consolidated financial statements, as the organization does not yet control the underlying assets. The leases commence in 2025.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**8. Fixed Assets**

Fixed assets consist of the following at August 31:

|  | <u>2024</u>          | <u>2023</u>          |
|--|----------------------|----------------------|
| Buildings                                      | \$ 33,976,584        | \$ 32,967,092        |
| Land and land improvements                     | 5,601,926            | 3,996,635            |
| Leasehold improvements                         | 85,238               | 85,238               |
| Office equipment and furniture                 | 7,367,217            | 7,171,383            |
| Vehicles                                       | 2,796,740            | 2,920,866            |
| Construction in progress                       | <u>12,274,272</u>    | <u>1,408,954</u>     |
|  | 62,101,977           | 48,550,168           |
| Less accumulated depreciation and amortization | <u>(20,982,542)</u>  | <u>(19,973,831)</u>  |
|  | <u>\$ 41,119,435</u> | <u>\$ 28,576,337</u> |

Depreciation and amortization expense related to fixed assets totaled \$1,948,813 and \$1,874,934 in 2024 and 2023, respectively.

On June 29, 2022, Easter Seals New Hampshire, Inc. was awarded a grant agreement totaling \$22,974,523 with the State of New Hampshire, Governor's Office of Emergency Relief and Recovery. This grant will support the construction of a mixed housing, supportive services, and retreat campus for veterans and their families located in Franklin, New Hampshire. Easter Seals New Hampshire, Inc. is obligated to complete the project prior to December 31, 2026. During the years ended August 31, 2024 and 2023, \$5,507,790 and \$1,075,371, respectively, of this grant was utilized.

**9. Investments and Assets Limited as to Use**

Investments and assets limited as to use, at fair value, are as follows at August 31:

|                                  | <u>2024</u>         | <u>2023</u>         |
|----------------------------------|---------------------|---------------------|
| Cash and cash equivalents        | \$ 283,272          | \$ 780,619          |
| Hedge fund                       | 299,310             | -                   |
| Marketable equity securities     | 1,984,232           | 1,715,335           |
| Mutual funds                     | 25,012,058          | 22,325,650          |
| Corporate and foreign bonds      | 460,670             | 346,373             |
| Government and agency securities | <u>610,326</u>      | <u>696,259</u>      |
|                                  | 28,649,868          | 25,864,236          |
| Less assets limited as to use    | <u>(2,239,818)</u>  | <u>(1,972,288)</u>  |
| Total investments, at fair value | <u>\$26,410,050</u> | <u>\$23,891,948</u> |

The composition of assets limited as to use totaling \$2,239,818 and \$1,972,288 at August 31, 2024 and 2023, respectively, are investments under a deferred compensation plan (see note 10) at fair value.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2024 and 2023

**10. Retirement Plans**

Easter Seals NH maintains a Section 403(b) Plan (a defined contribution retirement plan), which covers substantially all employees. Eligible employees may contribute any whole percentage of their annual salary. Easter Seals NH makes a matching contribution for eligible employees equal to 100% of the participants' elective deferrals limited to 3% of the participants' allowable compensation each pay period. The combined amount of employer and employee contributions is subject by law to annual maximum amounts. The employer match was approximately \$1,051,000 and \$895,000 for the years ended August 31, 2024 and 2023, respectively.

Easter Seals NH offers, to certain management personnel, the option to participate in an Internal Revenue Code Section 457 Deferred Compensation Plan to which the organization may make a discretionary contribution. The employees' accounts are not available until termination, retirement, death or an unforeseeable emergency. Easter Seals NH contributed approximately \$78,000 and \$88,000 to this plan during the years ended August 31, 2024 and 2023, respectively. The assets and liabilities associated with this plan were \$2,239,818 and \$1,972,288 at August 31, 2024 and 2023, respectively, and are included within assets limited as to use and other liabilities in the accompanying consolidated statements of financial position.

**11. Borrowings**

Borrowings consist of the following at August 31:

|  | <u>2024</u>  | <u>2023</u>  |
|--|--------------|--------------|
| Revenue Bonds, Series 2016A, tax exempt, issued through the New Hampshire Health and Education Facilities Authority (NHHEFA), with a Daily Simple Secured Overnight Financing Rate (SOFR)-based variable rate equal to the sum of (a) 65.01% times (b) Daily Simple SOFR plus 0.10% plus 2.45% (5.12% at August 31, 2024), due in monthly principal payments increasing from \$54,167 to \$88,333, with an initial mandatory tender date payment of \$6,875,413 due in May 2027, secured by a pledge of all gross revenues and negative pledge of cash, investments and real estate. The bonds are amortizing to December 2034 since management, through an available option, has the intent and ability to extend any amounts due at the initial mandatory tender date. | \$ 8,811,660 | \$ 9,451,664 |
| Revenue Bonds, Series 2016B, tax exempt, issued through NHHEFA, with a fixed rate at 3.47%, monthly principal payments continually increasing from \$19,210 to \$39,240 with an initial mandatory tender date payment of \$4,520,598 due in May 2027, secured by a pledge of all gross revenues and negative pledge of cash, investments and real estate. The bonds are amortizing to December 2046 since management, through an available option, has the intent and ability to extend any amounts due at the initial mandatory tender date.  | 5,187,537    | 5,416,617    |

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

11. Borrowings (Continued)

|  | <u>2024</u>         | <u>2023</u>         |
|--|---------------------|---------------------|
| Various notes payable to a bank with fixed interest rate of 2.24%, various principal and interest payments ranging from \$419 to \$1,026 payable monthly through dates ranging from September 2024 through September 2025, secured by vehicles with a net book value of \$62,623 at August 31, 2024.   | \$ 32,266           | \$ 94,393           |
| Various notes payable to a bank with fixed interest rate of 6.99%, various principal and interest payments ranging from \$651 to \$711 payable monthly, due in August 2029, secured by vehicles with a net book value of \$67,653 at August 31, 2024.  | 68,800              | —                   |
| Mortgage note payable to a bank with a fixed rate of 3.25%. Principal and interest of \$12,200 payable monthly, due in February 2030, secured by an interest in certain property with a net book value of \$6,660,543 at August 31, 2024.  | 1,829,110           | 1,913,553           |
| Mortgage note payable to a bank with a fixed rate of 6.75% for the first 5 years then convert to a variable rate based on the 5-year adjustable FHLB of Boston Classic Advance Rate plus 2.50%, adjusting every 5 years (floor rate is 6.75%). Principal and interest of \$7,688 payable monthly, due in January 2049, secured by an interest in certain property with a net book value of \$1,718,658 at August 31, 2024. | 1,090,080           | —                   |
| Note payable to NHHFA, 0% interest, conditional repayment terms, based off surplus cash availability, due October 2031, secured by an interest in certain property with a net book value of \$774,273 at August 31, 2024.  | 527,964             | 527,964             |
| Note payable to NHHFA, 0% interest, conditional repayment terms, based off surplus cash availability, due March 2040, secured by an interest in certain property with a net book value of \$718,761 at August 31, 2024.  | 492,448             | 492,448             |
| Note payable to the City of Manchester, New Hampshire, 0% interest, annual principal payable of \$4,518 on October 1 each year for 10 years through October 2026 secured by an interest in certain property with a net book value of \$774,273 at August 31, 2024.   | <u>58,727</u>       | <u>63,245</u>       |
|  | 18,098,592          | 17,959,884          |
| Less current portion   | (1,060,640)         | (1,021,877)         |
| Less net unamortized bond issuance costs   | <u>(88,286)</u>     | <u>(94,396)</u>     |
|  | <u>\$16,949,666</u> | <u>\$16,843,611</u> |

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**11. Borrowings (Continued)**

Principal payments on long-term debt for each of the following years ending August 31 are as follows:

|            |                     |
|------------|---------------------|
| 2025       | \$ 1,060,640        |
| 2026       | 1,082,379           |
| 2027       | 1,173,864           |
| 2028       | 1,172,876           |
| 2029       | 1,225,813           |
| Thereafter | <u>12,383,020</u>   |
|            | <u>\$18,098,592</u> |

*Lines of Credit and Other Financing Arrangements*

Easter Seals New Hampshire, Inc. has an agreement with a bank for a \$500,000 revolving equipment line, which can be used to fund the purchase of New Hampshire titled vehicles for use by Easter Seals New Hampshire, Inc. on demand. Advances are converted to term notes as utilized. The interest rate charged on outstanding borrowings is a fixed rate equal to the then Business Vehicle Rate at the time of the advance for maturities up to a five-year term. Included in long-term debt are six notes payable totaling \$101,066 and eight notes payable totaling \$94,393 at August 31, 2024 and 2023, respectively, which originated under this agreement. Availability under this agreement at August 31, 2024 and 2023 is \$398,934 and \$405,607, respectively.

On August 31, 2015, Easter Seals New Hampshire, Inc. entered into a revolving line of credit with a bank. On February 26, 2019, an amendment changed the borrowing availability from \$4 million to \$7 million (a portion of which is secured by available letters of credit of \$24,000). On July 16, 2020, an amendment changed the outstanding advances from due on demand to a firm maturity date of June 30, 2022 and the interest rate charged on outstanding borrowings was revised to be the one-month LIBOR rate plus 2.25%. On June 29, 2022, an amendment changed the interest rate charged on outstanding borrowings to be the one-month Bloomberg Short Term Bank Yield Index (BSBY) rate plus 2.25% (7.56% at August 31, 2024). On October 10, 2024, an amendment changed the borrowing availability from \$7 million to \$12 million. In 2024, the maturity date was extended to June 30, 2025. Management intends to work with the bank to renew the line of credit upon expiration. Under an event of default, the interest rate will increase from the one-month BSBY rate plus 2.25% to the then applicable interest rate plus 5.00%. The line is secured by a first priority interest in all business assets of Easter Seals New Hampshire, Inc. with guarantees from Easter Seals Vermont, Inc. and Farnum Center. The agreement requires that collective borrowings under the line of credit be reduced to \$1,000,000 for 30 consecutive days during each calendar year. There was \$300,792 outstanding under this revolving line of credit agreement at August 31, 2024. There were no amounts outstanding under this revolving line of credit agreement at August 31, 2023.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**11. Borrowings (Continued)**

On January 30, 2024, Easter Seals New Hampshire, Inc. entered into a revolving line of credit with a bank having a borrowing availability of \$3,000,000. Outstanding borrowings under the revolving line of credit bear interest at a variable rate equal to 2.20% of the greater of a) the daily SOFR or b) 0.50% (7.52% at August 31, 2024). Under the terms of the revolving line of credit agreement, Easter Seals New Hampshire, Inc. is required to establish a deposit relationship with the bank, maintaining a minimum compensating balance of \$1,500,000, which is presented in restricted cash in the accompanying consolidated statements of financial position. There was \$2,047,873 outstanding under this revolving line of credit agreement at August 31, 2024.

*NHHEFA 2016A and 2016B Revenue Bonds*

On December 20, 2016, Easter Seals New Hampshire, Inc. issued \$13,015,000 in Series 2016A Tax Exempt Revenue Bonds. These bonds were used to refinance the Series 2004A Revenue Bonds.

Also, on December 20, 2016, Easter Seals New Hampshire, Inc. issued \$9,175,000 in Series 2016B Tax Exempt Revenue Bonds. The bonds were issued to refinance an existing mortgage and to obtain funds for certain planned capital projects.

*Mortgage Notes Payable*

On February 18, 2015, Easter Seals New Hampshire, Inc. and Farnum Center entered into a \$2,480,000 mortgage note payable to finance the acquisition of certain property located in Franklin, New Hampshire. The initial interest rate charged is fixed at 3.25%. Monthly principal and interest payments are \$12,200, and all remaining outstanding principal and interest is due on February 18, 2030. The note is secured by the property.

Effective July 1, 2021, Easter Seals New Hampshire, Inc. has assumed responsibility of the agreement that was made between The Way Home, Inc. (the Organization) and NHHFA dated October 11, 2001 that obtained federal funding through the HOME Investment Partnership Programs, pursuant to an acquisition agreement. Subsequent to the closing of the acquisition, the Organization operates as a program of Easter Seals NH. The funds were used for improvements on 214 Spruce Street in Manchester, New Hampshire. The interest rate charged is fixed at 0.00%. As defined in accordance with the regulatory agreement that expires on October 11, 2031, repayment of the balance is conditional based on if surplus cash available exceeds 25%, and is otherwise deferred until the project is sold or refinanced, or upon expiration or default of the regulatory agreement. The Organization must comply with the terms of the loan to provide housing and related services to low income, nearly homeless families, to defer repayment of principal and interest. The note is secured by the property. No payment was made in 2024 and a payment of \$3,522 was made in 2023.

Effective July 1, 2021, Easter Seals New Hampshire, Inc. has assumed responsibility for the agreement that was made between the Organization and NHHFA dated March 17, 2010. The funds were used for the acquisition, construction, and permanent financing on 224 Spruce Street in Manchester, New Hampshire. The interest rate charged is fixed at 0.00%. As defined in accordance with the regulatory agreement that expires on March 17, 2040, repayment of the balance is conditional based on if surplus cash available exceeds 50%, until the project is sold or refinanced, or upon expiration of the regulatory agreement. The note is secured by the property. No payments were made in 2024 and 2023.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**11. Borrowings (Continued)**

On January 12, 2024, Easter Seals New Hampshire, Inc. entered into a \$1,100,000 mortgage note payable to finance the acquisition of certain property located in Manchester, New Hampshire. The initial interest rate charged is fixed at 6.75% for the first 5 years then converts to a variable rate based on the 5-year adjustable FHLB of Boston Classic Advance Rate plus 2.50%, adjusting every 5 years (floor rate is 6.75%). Monthly principal and interest payments are \$7,688.

Notes Payable

Effective July 1, 2021, Easter Seals New Hampshire, Inc. has assumed responsibility for the agreement dated July 1, 2016 that was made between the Organization and the City of Manchester through the Community Improvement Program. The funds were used for facility upgrades on 214 Spruce Street in Manchester, New Hampshire. The interest rate charged is fixed at 0.00%. Annual principal payments of \$4,518 commencing October 1, 2017 can be forgiven through October 1, 2026 so long as the Organization can demonstrate the agreed-upon objectives have been achieved. On August 23, 2018, an amendment changed that the annual principal payments will be deferred from October 1, 2017 and resume October 1, 2022. The note is secured by the property.

Interest Rate Swap Agreement

Easter Seals New Hampshire, Inc. has an interest rate swap agreement with a bank in connection with the Series 2004A NHHEFA Revenue Bonds. Effective December 1, 2016, an amendment to this agreement was executed in anticipation of the refinancing of the 2004A revenue bonds to change the interest rate charged from 3.54% to 3.62% and the floating rate from LIBOR times 67% to LIBOR times 65.01%. Effective April 3, 2023, an amendment to this agreement was executed to change to interest rate charge from 3.62 % to 3.57% and the floating rate from LIBOR times 65.01% to Daily SOFR times 65.01%. In connection with these amendments, the organization applied certain optional expedients in relation to contract modifications provided by FASB ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* to simplify the accounting analyses for contract modifications. The swap agreement had an outstanding notional amount of \$8,811,660 and \$9,451,664 at August 31, 2024 and 2023, respectively, which reduces in conjunction with principal reductions until the agreement is terminated in November 2034.

The fair value of the above interest rate swap agreement is a liability that totaled \$594,176 and \$531,680 at August 31, 2024 and 2023, respectively, \$69,469 and \$15,663 of which was current at August 31, 2024 and 2023, respectively. During the years ended August 31, 2024 and 2023, net payments required by the agreement totaled \$10,381 and \$76,398, respectively. These payments have been included in interest expense within the accompanying consolidated statements of operations and changes in net assets. See note 14 with respect to fair value determinations.

Debt Covenants

In connection with the bonds, lines of credit and various other notes payable described above, Easter Seals NH is required to comply with certain financial covenants including, but not limited to, minimum liquidity and debt service coverage ratios. At August 31, 2024, Easter Seals NH was in compliance with restrictive covenants specified under the NHHEFA bonds and other debt obligations.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2024 and 2023

**12. Donated Services**

A number of volunteers have donated their time in connection with Easter Seals NH’s program services and fundraising campaigns. However, no amounts have been reflected in the accompanying consolidated financial statements for such donated services, as no objective basis is available to measure the value.

**13. Related Party Transactions**

Easter Seals NH is a member of Easter Seals, Inc. Membership fees to Easter Seals, Inc. were \$181,245 and \$166,882 for the years ended August 31, 2024 and 2023, respectively, and are reflected as support of National programs on the accompanying consolidated statements of operations.

**14. Fair Value of Financial Instruments**

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at their measurement date. In determining fair value, Easter Seals NH uses various methods including market, income and cost approaches, and utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in factors used in the valuation. These factors may be readily observable, market corroborated, or generally unobservable. Easter Seals NH utilizes valuation techniques that maximize the use of observable factors and minimizes the use of unobservable factors.

Certain of Easter Seals NH’s financial instruments are reported at fair value, which include beneficial interest held in trust, investments and the interest rate swap, and are classified by levels that rank the quality and reliability of the information used to determine fair value:

Level 1 – Valuations for financial instruments traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical instruments.

Level 2 – Valuations for financial instruments traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar instruments.

Level 3 – Valuations for financial instruments derived from other methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining fair value.

The following describes the valuation methodologies used to measure financial assets and liabilities at fair value. The levels relate to valuation only and do not necessarily indicate a measure of investment risk. There have been no changes in the methodologies used by Easter Seals NH at August 31, 2024 and 2023.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**14. Fair Value of Financial Instruments (Continued)***Investments and Assets Limited as to Use*

Cash and cash equivalents are deemed to be Level 1. The fair values of marketable equity securities and mutual funds that are based upon quoted prices in active markets for identical assets are reflected as Level 1. Investments in certain government and agency securities and corporate and foreign bonds where securities are transparent and generally are based upon quoted prices in active markets are valued by the investment managers and reflected as Level 2.

*Beneficial Interest in Trust Held by Others*

The beneficial interest in trust held by others has been assigned fair value levels based on the fair value levels of the underlying investments within the trust. The fair values of marketable equity securities, money market and mutual funds are based upon quoted prices in active markets for identical assets and are reflected as Level 1. Investments in marketable equity securities and mutual funds where securities are transparent and generally are based upon quoted prices in active markets are valued by the investment managers and reflected as Level 2.

*Interest Rate Swap Agreement*

The fair value for the interest rate swap liability is included in Level 3 and is estimated by the counterparty using industry standard valuation models. These models project future cash flows and discount the future amounts to present value using market-based observable inputs, including interest rates.

At August 31, 2024 and 2023, Easter Seals NH's assets and liabilities measured at fair value on a recurring basis were classified as follows:

|  | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--|----------------|----------------|----------------|--------------|
| <u>2024</u>  |                |                |                |              |
| Assets:  |                |                |                |              |
| Assets limited as to use and investments<br>at fair value: |                |                |                |              |
| Cash and cash equivalents                                  | \$ 283,272     | \$ —           | \$ —           | \$ 283,272   |
| Hedge fund   | 299,310        | —              | —              | 299,310      |
| Marketable equity securities:                              |                |                |                |              |
| Large-cap  | 1,644,196      | —              | —              | 1,644,196    |
| International  | 340,036        | —              | —              | 340,036      |
| Mutual funds, open-ended:                                  |                |                |                |              |
| Short-term fixed income                                    | 11,280,225     | —              | —              | 11,280,225   |
| Intermediate-term bond fund                                | 4,417,604      | —              | —              | 4,417,604    |
| High yield bond fund                                       | 47,236         | —              | —              | 47,236       |
| Foreign bond   | 16,328         | —              | —              | 16,328       |
| Government securities                                      | 21,219         | —              | —              | 21,219       |
| Emerging markets bond                                      | 946,262        | —              | —              | 946,262      |
| International equities                                     | 792,419        | —              | —              | 792,419      |
| Domestic, large-cap  | 3,384,197      | —              | —              | 3,384,197    |

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

14. Fair Value of Financial Instruments (Continued)

|  | <u>Level 1</u>      | <u>Level 2</u>     | <u>Level 3</u>   | <u>Total</u>        |
|--|---------------------|--------------------|------------------|---------------------|
| Domestic, small-cap  | \$ 913,373          | \$ —               | \$ —             | \$ 913,373          |
| Domestic, multi alt  | 245,033             | —                  | —                | 245,033             |
| Real estate fund   | 115,773             | —                  | —                | 115,773             |
| Mutual funds, closed-ended:                                |                     |                    |                  |                     |
| Domestic, large-cap  | 1,085,869           | —                  | —                | 1,085,869           |
| Domestic, mid-cap  | 981,588             | —                  | —                | 981,588             |
| Domestic, small-cap  | 243,856             | —                  | —                | 243,856             |
| Commodity  | 1,214               | —                  | —                | 1,214               |
| Emerging markets   | 6,470               | —                  | —                | 6,470               |
| International equity                                       | 513,392             | —                  | —                | 513,392             |
| Corporate and foreign bonds                                | —                   | 460,670            | —                | 460,670             |
| Government and agency securities                           | <u>—</u>            | <u>610,326</u>     | <u>—</u>         | <u>610,326</u>      |
|  | <u>\$27,578,872</u> | <u>\$1,070,996</u> | <u>\$ —</u>      | <u>\$28,649,868</u> |
| Beneficial interest in trust held by others:               |                     |                    |                  |                     |
| Marketable equity securities:                              |                     |                    |                  |                     |
| Large-cap  | \$ 96,153           | \$ —               | \$ —             | \$ 96,153           |
| Mutual funds:  |                     |                    |                  |                     |
| Domestic, fixed income                                     | <u>—</u>            | <u>30,204</u>      | <u>—</u>         | <u>30,204</u>       |
|  | <u>\$ 96,153</u>    | <u>\$ 30,204</u>   | <u>\$ —</u>      | <u>\$ 126,357</u>   |
| Liabilities:   |                     |                    |                  |                     |
| Interest rate swap agreement                               | <u>\$ —</u>         | <u>\$ —</u>        | <u>\$594,176</u> | <u>\$ 594,176</u>   |
| <u>2023</u>  |                     |                    |                  |                     |
| Assets:  |                     |                    |                  |                     |
| Assets limited as to use and investments<br>at fair value: |                     |                    |                  |                     |
| Cash and cash equivalents                                  | \$ 780,619          | \$ —               | \$ —             | \$ 780,619          |
| Marketable equity securities:                              |                     |                    |                  |                     |
| Large-cap  | 1,349,552           | —                  | —                | 1,349,552           |
| International  | 365,783             | —                  | —                | 365,783             |
| Mutual funds, open-ended:                                  |                     |                    |                  |                     |
| Short-term fixed income                                    | 10,656,322          | —                  | —                | 10,656,322          |
| Intermediate-term bond fund                                | 3,819,947           | —                  | —                | 3,819,947           |
| High yield bond fund                                       | 36,917              | —                  | —                | 36,917              |
| Foreign bond   | 18,076              | —                  | —                | 18,076              |
| Government securities                                      | 7,514               | —                  | —                | 7,514               |
| Emerging markets bond                                      | 760,207             | —                  | —                | 760,207             |
| International equities                                     | 1,082,865           | —                  | —                | 1,082,865           |
| Domestic, large-cap  | 2,475,781           | —                  | —                | 2,475,781           |

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

14. Fair Value of Financial Instruments (Continued)

|  | <u>Level 1</u>      | <u>Level 2</u>     | <u>Level 3</u>   | <u>Total</u>        |
|--|---------------------|--------------------|------------------|---------------------|
| Domestic, small-cap                          | \$ 402,404          | \$ —               | \$ —             | \$ 402,404          |
| Domestic, multi alt                          | 320,781             | —                  | —                | 320,781             |
| Real estate fund                             | 100,553             | —                  | —                | 100,553             |
| Mutual funds, closed-ended:                  |                     |                    |                  |                     |
| Domestic, large-cap                          | 2,049,962           | —                  | —                | 2,049,962           |
| Domestic, mid-cap                            | 363,413             | —                  | —                | 363,413             |
| Domestic, small-cap                          | 161,248             | —                  | —                | 161,248             |
| Commodity                                    | 50,245              | —                  | —                | 50,245              |
| Emerging markets                             | 5,763               | —                  | —                | 5,763               |
| International equity                         | 13,652              | —                  | —                | 13,652              |
| Corporate and foreign bonds                  | —                   | 346,373            | —                | 346,373             |
| Government and agency securities             | <u>—</u>            | <u>696,259</u>     | <u>—</u>         | <u>696,259</u>      |
|  | <u>\$24,821,604</u> | <u>\$1,042,632</u> | <u>\$ —</u>      | <u>\$25,864,236</u> |
| Beneficial interest in trust held by others: |                     |                    |                  |                     |
| Money market funds                           | \$ 341              | \$ —               | \$ —             | \$ 341              |
| Marketable equity securities:                |                     |                    |                  |                     |
| Large-cap                                    | 97,009              | —                  | —                | 97,009              |
| Mutual funds:                                |                     |                    |                  |                     |
| Domestic, fixed income                       | <u>—</u>            | <u>28,893</u>      | <u>—</u>         | <u>28,893</u>       |
|  | <u>\$ 97,350</u>    | <u>\$ 28,893</u>   | <u>\$ —</u>      | <u>\$ 126,243</u>   |
| Liabilities:                                 |                     |                    |                  |                     |
| Interest rate swap agreement                 | <u>\$ —</u>         | <u>\$ —</u>        | <u>\$531,680</u> | <u>\$ 531,680</u>   |

The table below sets forth a summary of changes in the fair value of Easter Seals NH's Level 3 liabilities for the years ended August 31, 2024 and 2023:

|                                 | <u>Interest<br/>Rate Swap</u> |
|---------------------------------|-------------------------------|
| Ending balance, August 31, 2022 | \$(995,184)                   |
| Change in fair value            | <u>463,504</u>                |
| Ending balance, August 31, 2023 | (531,680)                     |
| Change in fair value            | <u>(62,496)</u>               |
| Ending balance, August 31, 2024 | <u>\$(594,176)</u>            |

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**15. Champlin Place Limited Partnership**

The Champlin Place Partnership was formed in June 2022 as a limited partnership under the laws of the State of New Hampshire. The Champlin Place Partnership’s purpose is to acquire, own, develop, construct and/or rehabilitate, lease, manage, and operate an apartment complex to be constructed and located at 215 Rochester Hill Road, Rochester, New Hampshire, comprising of 65 residential apartments benefiting low to moderate-income households (the Champlin Place Project). The Champlin Place Project became operational in 2024. The Champlin Place Partnership’s equity was contributed by its General Partner, Champlin Place, Inc., of which Easter Seals NH is a shareholder, and Housing New England Fund IV, a limited partner and unrelated party. The Champlin Place Partnership agreement provides for the allocation of profits and losses to the partners, proportionate to the equity contributed, as follows:

|  |        |
|--|--------|
| General Partner, Champlin Place, Inc. (wholly-owned by Easter Seals NH through April 2023 and 79% owned thereafter [see note 1]) | 0.01%  |
| Limited Partner, Housing New England Fund IV (an unrelated party)  | 99.99% |

Capital Contributions

In 2022, Easter Seals NH, as the then sole owner of the General Partner, Champlin Place, Inc., has made its required capital contribution of \$1,742. Easter Seals NH, through its investment in Champlin Place, Inc., made additional capital contributions in the amount of \$150,578 in January 2024. These capital contributions are recorded as investment in related entity in the accompanying consolidated statements of financial position.

Deferred Developer and Management Fees

On June 30, 2022, Easter Seals NH entered into a Development Services Agreement for the Champlin Place Project, in which Easter Seals NH will earn up to \$2,272,940 as a development fee for its services in connection with the construction and development of the Champlin Place Project. In 2024, \$31,541 in development fees was earned and is recorded in management and developer fees in the accompanying consolidated statements of operations. To date, \$281,541 of the development fees has been earned. The balance of the development fee will be earned on the date that the construction and development of the Champlin Place Project is substantially complete, and all dwelling units have been completed and are placed in service, with all balances to be paid prior to December 31, 2036.

In connection with the Champlin Place Project, Easter Seals NH has earned management fees amounting to \$90,528 for the year ending August 31, 2024. There were no management fees earned for the year ending August 31, 2023.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**15. Champlin Place Limited Partnership (Continued)***Ground Lease*

On June 30, 2022, Easter Seals NH entered into a ground lease with the Champlin Place Partnership for the land located at 215 Rochester Hill Road, Rochester, New Hampshire, with terms of 98 years from the date of execution. The Champlin Place Partnership is required to pay Easter Seals NH base rent of \$37,004 per annum, commencing on January 1, 2023, and continuing on each one-year anniversary date of the lease, payable from available cash flow, as defined in the agreement. If available cash flow is insufficient to pay the full amount of the base rent for any year, the unpaid portion will accrue interest at 3.43% per annum and be payable on a cumulative basis in the first year in which there is sufficient available cash flow or capital proceeds.

*Sponsor Loan and Terms*

On June 30, 2022, in order to provide additional funding to the Champlin Place Partnership for upcoming site work and construction costs, Easter Seals NH entered into a \$563,607 loan agreement with the Champlin Place Partnership. This loan bears interest at the rate of 0% and, at August 31, 2024 and 2023, respectively, \$518,984 and \$8,000 had been drawn on the loan by the Champlin Place Partnership. If not paid earlier, all outstanding principal and interest accrued must be repaid to Easter Seals NH on June 30, 2052. Payments of principal and interest are to be made to the extent of available cash flow, as defined in the agreement. If repayment is not made within thirty days of the maturity date, or if any payment due is not paid within thirty days of the due date, then interest will be payable on any unpaid sum at the rate of 12% per annum, compounded annually, until such amount is paid, or another means of payment is arranged. The note receivable is recorded in long-term other assets on the accompanying consolidated statement of financial position.

*Reimbursement Agreements*

On June 30, 2022, Easter Seals NH entered into a Reimbursement Agreement with the Champlin Place Partnership to reimburse Easter Seals NH for all predevelopment expenses incurred by the Champlin Place Project that were paid by Easter Seals NH. The Champlin Place Partnership acknowledged and agreed that the Champlin Place Partnership is solely responsible to pay all project expenses not later than the date of the closing of the Champlin Place Partnership's construction loan for the Champlin Place Project, which was July 13, 2022. At August 31, 2024 and 2023, Easter Seals NH was owed \$201,796 and \$1,818,919, respectively, by the Champlin Place Partnership, which amount is recorded within accounts receivable from related entity in the accompanying consolidated statements of financial position.

Further, Easter Seals NH will be paid certain amounts under a Partnership Administration Agreement, dated as of June 30, 2022 between Easter Seals NH and the Champlin Place Partnership, whereby Easter Seals NH will provide various administrative services in exchange for fees of \$4,875 per year beginning in 2023, increasing 3% annually beginning January 1, 2024. The administration fee is payable solely if cash flow is available and otherwise the unpaid portion is accrued and payable on a cumulative basis in the first year in which there are sufficient cash flows. No amounts were paid under this agreement in 2024 and 2023.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**15. Champlin Place Limited Partnership (Continued)***Right of Refusal and Option Agreement*

Through a Right of Refusal and Option Agreement dated June 30, 2022, the Champlin Place Partnership granted to Easter Seals NH certain rights of first refusal and options to purchase the Champlin Place Project, which, if elected, would include the 99.99% interest in the Champlin Place Project held by Housing New England Fund IV. As a result, Easter Seals NH has been granted an irrevocable, successive, and exclusive right of refusal to purchase the Champlin Place Project. Such right is exercisable for a period of 24-months beginning upon expiration of an initial 15-year compliance period, and continuing until the Champlin Place Partnership otherwise sells the Champlin Place Project.

Through a Right of Refusal and Opinion Agreement dated June 30, 2022, Housing New England Fund IV has the option to give written notice to Champlin Place, Inc. at any time following the end of the Credit Period, as defined, to require Champlin Place, Inc. to purchase the interest of Housing New England Fund IV for a price equal to the sum of: (i) \$100, (ii) the amount of any federal, state or local tax liability required to be paid (including, without limitation, any real estate transfer or franchise taxes), (iii) any costs incurred by Housing New England Fund IV in connection with the transfer of its interest, and (iv) all amounts then due and owing to Housing New England Fund IV or its affiliates under the agreement. Upon receipt of such written notice of the put option, Champlin Place, Inc. shall purchase such interest and make all payments required within 30 days. At the date of these consolidated financial statements, the put option was not eligible to be exercised by Housing New England Fund IV, and it is expected that the Credit Period will extend through December 31, 2034.

*Guaranty Agreement*

On June 30, 2022, Easter Seals NH unconditionally guaranteed due payment, performance, and fulfillment of certain obligations of the Champlin Place Partnership and Housing New England Fund IV. Easter Seals NH's liability is generally limited and shall not exceed \$402,000 in the aggregate, and the guaranty terminates upon the later of the 60<sup>th</sup> month anniversary of the stabilization date, as defined, and the date that the Champlin Place Partnership has achieved stabilized occupancy for five consecutive calendar years. However, should an operating deficit arise before the latest of permanent mortgage commencement or cost certification, as defined in the agreement, or the date the Champlin Place Project achieves 100% occupancy, then Easter Seals NH's obligation to advance funds to pay operating deficits shall be unlimited. At the date of these consolidated financial statements, no events or conditions have occurred that would trigger Easter Seals NH's performance under the guaranty agreement.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**16. Elms Farm Limited Partnership**

The Elms Farm Partnership was formed in September 2023 as a limited partnership under the laws of the State of New Hampshire. The Elms Farm Partnership's purpose is to acquire, own, develop, construct and/or rehabilitate, lease, manage, and operate an apartment complex to be constructed and located at 20-25 Holy Cross Road, Franklin, New Hampshire, comprising of 29 residential apartments benefiting low to moderate-income households (the Elms Farm Project). The Elms Farm Project is expected to be operational in July 2025. The Elms Farm Partnership's equity was contributed by its General Partner, ESNH Veterans, Inc., of which Easter Seals NH is the sole shareholder, and M&T Bank, a limited partner and unrelated party. The Elms Farm Partnership agreement provides for the allocation of profits and losses to the partners, proportionate to the equity contributed, as follows:

|  |        |
|--|--------|
| General Partner, ESNH Veterans, Inc. (wholly-owned by Easter Seals NH) | 0.01%  |
| Limited Partner, M&T Bank (an unrelated party)                         | 99.99% |

*Capital Contributions*

In September 2023, Easter Seals NH, as the sole owner of the General Partner, ESNH Veterans, Inc., has made its required capital contribution of \$0.01. The capital contribution is recorded as investment in related entity in the accompanying consolidated statements of financial position.

*Deferred Developer Fee and Management Fees*

On April 1, 2024, Easter Seals NH entered into a Development Agreement for the Elms Farm Project, in which Easter Seals NH will earn up to \$504,000 as a development fee for its services in connection with the construction and development of the Elms Farm Project. The development fee is paid in two installments, 1) \$238,027 paid concurrently with the third capital contribution, provided that the sources and uses are "in balance", and 2) \$245,636 paid concurrently with the final capital contribution, subject to certain adjustments. The development fee is earned in three installments, 1) 20% by the date of the agreement for preconstruction development services, 2) 20% upon commencement of construction and rehabilitation of the Elms Farm Project, and 3) 60% upon the placement in service of 100% of the units in the Elms Farm Project. No amount of development fee has been paid or earned through August 31, 2024.

On April 1, 2024, ESNH Veterans, Inc. entered into a Supervisory Management and Incentive Fee Agreement, in which ESNH Veterans, Inc. is to perform certain management and oversight services for the Elms Farm Project in exchange for an annual amount equal to 90% of the net cash flow in the priority set forth in the Elms Farm Partnership agreement.

On January 26, 2024 Easter Seals NH entered into a Property Management Fee Agreement for the Elms Farm Project, in which Easter Seals NH will provide property management services in return for 5% of gross rents.

On April 1, 2024 ESNH Veterans, Inc. entered into a Managing Member Management Fee Agreement related to the Elms Farm Project, in which ESNH Veterans, Inc. will receive an annual base management fee in the amount of \$3,500. The managing member fee shall accrue beginning on January 1, 2025, with the first payment due and payable on or before March 1, 2026, and each anniversary thereafter, increasing 3% annually.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2024 and 2023

**16. Elms Farm Limited Partnership (Continued)***Ground Lease*

In November 2023, Easter Seals NH entered into a ground lease with the Elms Farm Partnership for the land located at 20 and 27 Holy Cross Road, Franklin, New Hampshire, with terms of 98 years from the date of execution. The Elms Farm Partnership was required to pay Easter Seals NH base rent of \$98 due on April 8, 2024.

*Governor's Office of Emergency Relief and Recovery Loan*

In 2022, the State of New Hampshire, Governor's Office of Emergency Relief and Recovery awarded Easter Seals NH a grant further described in note 8. Under the terms of the Elms Farm Project, Easter Seals NH will pass through \$7,782,368 of funds to the Elms Farm Partnership pursuant to a leasehold mortgage that was executed on March 20, 2024. The loan accrues no interest and is payable to Easter Seals NH in one lump sum 3 years from the date of the note (March 2027). The grant agreement requires Easter Seals New Hampshire to secure \$8,420,774 of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). In the event of default of this condition, Easter Seals NH has the right to recover all of the CSLFRF funds expended on the Elms Farm Project on behalf of the State of New Hampshire Governor's Office for Emergency Relief and Recovery. Also, as defined in the leasehold mortgage, if the Elms Farm Partnership performs its obligations as defined in the agreement, then repayment of the leasehold mortgage will become void, therefore requiring no repayment by the Elms Farm Partnership to Easter Seals NH. Funding has not yet been received; however, because of that provision, Easter Seals NH will record offsetting assets and liabilities when cash flow associated with the grant and leasehold mortgage is expected.

*Right of Refusal and Option Agreement*

Through a Right of Refusal and Option Agreement dated April 1, 2024, the Elms Farm Partnership granted to Easter Seals NH certain rights of first refusal and options to purchase the Elms Farm Project, which, if elected, would include the 99.99% interest in the Elms Farm Project held by M&T Bank. As a result, Easter Seals NH has been granted an irrevocable, successive, and exclusive right of refusal to purchase the Elms Farm Project. Such right is exercisable for a period of 36 months beginning upon expiration of an initial 15-year compliance period, and continuing until the Elms Farm Partnership otherwise sells the Elms Farm Project.

Through a Right of Refusal and Option Agreement dated April 1, 2024, M&T Bank has the option to give written notice to ESNH Veterans, Inc. at any time following the end of the Credit Period, as defined, to require ESNH Veterans, Inc. to purchase the interest of M&T Bank for a price equal to the sum of \$1,000 and any amounts owed to M&T Bank under the operating agreement. At the date of these consolidated financial statements, the put option was not eligible to be exercised by M&T Bank.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2024 and 2023

**16. Elms Farm Limited Partnership (Continued)***Guaranty Agreements*

Pursuant to the limited partnership agreement, Easter Seals NH and ESNH Veterans, Inc. guarantee several obligations. As part of an operational deficit guarantee, they promise to advance to the project any amounts required to fund operating deficits arising after the project completion. This means funding unlimited operating deficits until the project achieves stabilized operations, which is defined as the later to occur of (a) construction loan payoff and conversion to approved non-recourse financing, and (b) rental income from the Elms Farm Project that is sufficient to pay all operating expenses/debt service of the Elms Farm Project and a debt service coverage ratio of not less than 1.15 to 1.00 for three consecutive calendar months following funding of the Elms Farm Project's permanent loan. Following that, for a period of 60 calendar months following the achievement of stabilized operations (the ODG Period) the amount shall be limited to \$192,820 (the Maximum ODG Amount), which will thereafter be released provided the Elms Farm Project has achieved a 1.15 to 1.00 debt service coverage ratio over each of the last consecutive 3 calendar months of the ODG Period, and the rental subsidy contract remains in place. Any payments required will be in the form of a 0% loan that may be repaid to Easter Seals NH from cash flow or sale of the project.

Additionally, there is a tax credit shortfall and recapture guarantee, whereby Easter Seals NH and ESNH Veterans, Inc. will guarantee payment to M&T Bank of an amount equal to the shortfall, or recapture amount, plus applicable fees, penalties, or other costs incurred as a result of such shortfall or recapture. Pursuant to the guarantee agreement, Easter Seals NH and ESNH Veteran's Inc. must maintain aggregate liquidity of \$1,000,000 measured by cash, cash equivalents and marketable securities, and a minimum net worth of \$5,000,000, measured at December 31 of each calendar year. At the date of these consolidated financial statements, no events or conditions have occurred that would trigger Easter Seals NH or ESNH Veterans Inc.'s performance under the guaranty agreements, and they are in compliance with the minimum aggregate liquidity and minimum net worth requirements.

**17. Commitments and Contingencies***Construction Commitments*

Easter Seals NH has a committed construction contract totaling approximately \$684,000 at August 31, 2024. A member of the Board of Directors is an executive at the construction company. In September 2023, Easter Seals entered into a committed construction contract totaling approximately \$9,093,000 with an unrelated construction company. There were no committed construction contracts at August 31, 2022.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2024 and 2023

**17. Commitments and Contingencies (Continued)**

Contingencies

On September 18, 2020, the *Crime Victims' Rights Enhancement Act of 2020* (Act) was signed into law by the governor of New Hampshire, effectively removing the statute of limitations for filing specified claims in New Hampshire. Easter Seals NH has experienced an increase in notices of potential claims against it which fall under the provisions of the Act. Management of Easter Seals NH has identified insurance policies that they believe will cover any exposure and is working with legal counsel to appropriately respond to claims as they arise. No amounts have been provided in these consolidated financial statements relative to this matter.

**OTHER FINANCIAL INFORMATION**

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

August 31, 2024

ASSETS

|  | New<br>Hampshire*    | Farnum<br>Center    | Vermont             | Eliminations        | Total                 |
|--|----------------------|---------------------|---------------------|---------------------|-----------------------|
| Current assets:                            |                      |                     |                     |                     |                       |
| Cash and cash equivalents                  | \$ 1,338,708         | \$ 500              | \$ 36,340           | \$ -                | \$ 1,375,548          |
| Restricted cash                            | 1,889,392            | -                   | -                   | -                   | 1,889,392             |
| Short-term investments, at fair value      | 10,842,829           | -                   | -                   | -                   | 10,842,829            |
| Accounts receivable from affiliates        | -                    | -                   | 991,777             | (991,777)           | -                     |
| Accounts receivable from related entity    | 1,249,666            | -                   | -                   | -                   | 1,249,666             |
| Program and other accounts receivable, net | 16,558,783           | 1,709,146           | 896,744             | -                   | 19,164,673            |
| Contributions receivable, net              | 1,043,911            | 1,000               | -                   | -                   | 1,044,911             |
| Prepaid expenses and other current assets  | <u>1,199,973</u>     | <u>17,752</u>       | <u>31,190</u>       | <u>-</u>            | <u>1,248,915</u>      |
| Total current assets                       | 34,123,262           | 1,728,398           | 1,956,051           | (991,777)           | 36,815,934            |
| Assets limited as to use                   | 2,234,481            | 5,337               | -                   | -                   | 2,239,818             |
| Investments, at fair value                 | 14,721,068           | 846,153             | -                   | -                   | 15,567,221            |
| Investment in related entity               | 152,320              | -                   | -                   | -                   | 152,320               |
| Other assets                               | 828,060              | -                   | -                   | -                   | 828,060               |
| Intangible assets                          | 836,920              | -                   | -                   | -                   | 836,920               |
| Operating lease right-of-use assets        | 1,868,136            | 398,415             | 1,528,123           | -                   | 3,794,674             |
| Fixed assets, net                          | <u>35,935,330</u>    | <u>5,129,735</u>    | <u>54,370</u>       | <u>-</u>            | <u>41,119,435</u>     |
|  | \$ <u>90,699,577</u> | \$ <u>8,108,038</u> | \$ <u>3,538,544</u> | \$ <u>(991,777)</u> | \$ <u>101,354,382</u> |

LIABILITIES AND NET ASSETS

|  | New<br>Hampshire* | Farnum<br>Center | Vermont      | Eliminations | Total          |
|--|-------------------|------------------|--------------|--------------|----------------|
| Current liabilities:                               |                   |                  |              |              |                |
| Lines of credit                                    | \$ 2,348,665      | -                | -            | -            | \$ 2,348,665   |
| Accounts payable                                   | 7,293,937         | -                | -            | -            | 7,293,937      |
| Accrued expenses                                   | 7,613,528         | 36,941           | 750          | -            | 7,651,219      |
| Accounts payable to affiliates                     | 991,777           | -                | -            | (991,777)    | -              |
| Deferred revenue                                   | 4,283,640         | -                | 4,000        | -            | 4,287,640      |
| Current portion of operating lease liabilities     | 596,762           | 120,724          | 275,312      | -            | 992,798        |
| Current portion of interest rate swap agreement    | 69,469            | -                | -            | -            | 69,469         |
| Current portion of long-term debt                  | 937,964           | 122,676          | -            | -            | 1,060,640      |
| Total current liabilities                          | 24,135,742        | 280,341          | 280,062      | (991,777)    | 23,704,368     |
| Other liabilities                                  | 2,456,070         | 5,337            | -            | -            | 2,461,407      |
| Interest rate swap agreement, less current portion | 524,707           | -                | -            | -            | 524,707        |
| Operating lease liabilities, less current portion  | 1,291,815         | 287,606          | 1,265,071    | -            | 2,844,492      |
| Long-term debt, less current portion, net          | 13,140,370        | 3,809,296        | -            | -            | 16,949,666     |
| Total liabilities                                  | 41,548,704        | 4,382,580        | 1,545,133    | (991,777)    | 46,484,640     |
| Net assets:  |                   |                  |              |              |                |
| Without donor restrictions                         | 37,323,949        | 3,134,592        | 1,976,459    | -            | 42,435,000     |
| With donor restrictions                            | 11,826,924        | 590,866          | 16,952       | -            | 12,434,742     |
| Total net assets                                   | 49,150,873        | 3,725,458        | 1,993,411    | -            | 54,869,742     |
|  | \$ 90,699,577     | \$ 8,108,038     | \$ 3,538,544 | \$ (991,777) | \$ 101,354,382 |

\* Includes Champlin Place, Inc. and ESNH Veterans, Inc.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

August 31, 2023

ASSETS

|   | New<br>Hampshire*    | Farnum<br>Center     | Vermont             | Eliminations          | Total                |
|---|----------------------|----------------------|---------------------|-----------------------|----------------------|
| Current assets:                           |                      |                      |                     |                       |                      |
| Cash and cash equivalents                 | \$ 8,198,636         | \$ 500               | \$ 18,945           | \$ -                  | \$ 8,218,081         |
| Restricted cash                           | 99,784               | -                    | -                   | -                     | 99,784               |
| Short-term investments, at fair value     | 10,230,068           | -                    | -                   | -                     | 10,230,068           |
| Accounts receivable from affiliates       | -                    | 8,602,727            | 791,071             | (9,393,798)           | -                    |
| Accounts receivable from related entity   | 1,818,919            | -                    | -                   | -                     | 1,818,919            |
| Program and other accounts receivable     | 12,259,802           | 1,247,014            | 885,686             | -                     | 14,392,502           |
| Contributions receivable, net             | 127,893              | 1,013                | 13                  | -                     | 128,919              |
| Prepaid expenses and other current assets | <u>1,374,153</u>     | <u>7,355</u>         | <u>23,176</u>       | <u>-</u>              | <u>1,404,684</u>     |
| Total current assets                      | 34,109,255           | 9,858,609            | 1,718,891           | (9,393,798)           | 36,292,957           |
| Assets limited as to use                  | 1,967,140            | 5,148                | -                   | -                     | 1,972,288            |
| Investments, at fair value                | 12,898,371           | 763,509              | -                   | -                     | 13,661,880           |
| Investment in related entity              | 1,742                | -                    | -                   | -                     | 1,742                |
| Other assets                              | 327,763              | -                    | -                   | -                     | 327,763              |
| Intangible assets                         | 736,658              | -                    | -                   | -                     | 736,658              |
| Operating lease right-of-use assets       | 1,554,452            | 515,540              | 581,839             | -                     | 2,651,831            |
| Fixed assets, net                         | <u>23,185,728</u>    | <u>5,313,522</u>     | <u>77,087</u>       | <u>-</u>              | <u>28,576,337</u>    |
|   | \$ <u>74,781,109</u> | \$ <u>16,456,328</u> | \$ <u>2,377,817</u> | \$ <u>(9,393,798)</u> | \$ <u>84,221,456</u> |

LIABILITIES AND NET ASSETS

|  | New<br>Hampshire*    | Farnum<br>Center    | Vermont            | Eliminations          | Total                |
|--|----------------------|---------------------|--------------------|-----------------------|----------------------|
| Current liabilities:                               |                      |                     |                    |                       |                      |
| Accounts payable                                   | \$ 5,126,679         | \$ -                | \$ -               | \$ -                  | \$ 5,126,679         |
| Accrued expenses                                   | 6,339,691            | 94,448              | 812                | -                     | 6,434,951            |
| Accounts payable to affiliates                     | 9,393,798            | -                   | -                  | (9,393,798)           | -                    |
| Deferred revenue                                   | 2,536,453            | -                   | 1,521              | -                     | 2,537,974            |
| Current portion of operating lease liabilities     | 556,577              | 113,485             | 235,544            | -                     | 905,606              |
| Current portion of interest rate swap agreement    | 15,663               | -                   | -                  | -                     | 15,663               |
| Current portion of long-term debt                  | 903,137              | 118,740             | -                  | -                     | 1,021,877            |
| Total current liabilities                          | 24,871,998           | 326,673             | 237,877            | (9,393,798)           | 16,042,750           |
| Other liabilities                                  | 2,207,832            | 5,148               | -                  | -                     | 2,212,980            |
| Interest rate swap agreement, less current portion | 516,017              | -                   | -                  | -                     | 516,017              |
| Operating lease liabilities, less current portion  | 1,012,438            | 408,330             | 352,181            | -                     | 1,772,949            |
| Long-term debt, less current portion, net          | 12,912,760           | 3,930,851           | -                  | -                     | 16,843,611           |
| Total liabilities                                  | 41,521,045           | 4,671,002           | 590,058            | (9,393,798)           | 37,388,307           |
| Net assets:  |                      |                     |                    |                       |                      |
| Without donor restrictions                         | 27,803,279           | 11,194,460          | 1,784,632          | -                     | 40,782,371           |
| With donor restrictions                            | 5,456,785            | 590,866             | 3,127              | -                     | 6,050,778            |
| Total net assets                                   | 33,260,064           | 11,785,326          | 1,787,759          | -                     | 46,833,149           |
|  | <u>\$ 74,781,109</u> | <u>\$16,456,328</u> | <u>\$2,377,817</u> | <u>\$ (9,393,798)</u> | <u>\$ 84,221,456</u> |

\* Includes Champlin Place, Inc.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF OPERATIONS**

Year Ended August 31, 2024

|                                       | <u>New<br/>Hampshire*</u> | <u>Farnum<br/>Center</u> | <u>Vermont</u>   | <u>Eliminations</u> | <u>Total</u>       |
|---------------------------------------|---------------------------|--------------------------|------------------|---------------------|--------------------|
| Public support and revenue:           |                           |                          |                  |                     |                    |
| Public support:                       |                           |                          |                  |                     |                    |
| Contributions, net                    | \$ 528,466                | \$ 28,521                | \$ 20,081        | \$ -                | \$ 577,068         |
| Special events, net                   | 1,222,196                 | (2,625)                  | 15,039           | -                   | 1,234,610          |
| Annual campaigns, net                 | 281,494                   | 83,968                   | 4,323            | -                   | 369,785            |
| Bequests                              | 56,693                    | -                        | -                | -                   | 56,693             |
| Net assets released from restrictions | <u>203,840</u>            | <u>21,800</u>            | <u>4,736</u>     | <u>-</u>            | <u>230,376</u>     |
| Total public support                  | 2,292,689                 | 131,664                  | 44,179           | -                   | 2,468,532          |
| Revenue:                              |                           |                          |                  |                     |                    |
| Fees and tuition                      | 92,720,688                | 4,110,826                | 7,847,921        | (15,480)            | 104,663,955        |
| Grants                                | 11,361,273                | 5,384,091                | 324,862          | -                   | 17,070,226         |
| Management and developer fees         | 122,069                   | -                        | -                | -                   | 122,069            |
| Dividend and interest income          | 1,394,602                 | 37,512                   | -                | -                   | 1,432,114          |
| Other                                 | 130,579                   | 1,536                    | 150              | (646)               | 131,619            |
| Intercompany revenue                  | <u>1,793,567</u>          | <u>-</u>                 | <u>-</u>         | <u>(1,793,567)</u>  | <u>-</u>           |
| Total revenue                         | <u>107,522,778</u>        | <u>9,533,965</u>         | <u>8,172,933</u> | <u>(1,809,693)</u>  | <u>123,419,983</u> |
| Total public support and revenue      | 109,815,467               | 9,665,629                | 8,217,112        | (1,809,693)         | 125,888,515        |
| Operating expenses:                   |                           |                          |                  |                     |                    |
| Program services:                     |                           |                          |                  |                     |                    |
| Public health education               | 26,687                    | -                        | -                | -                   | 26,687             |
| Professional education                | 254,121                   | -                        | -                | -                   | 254,121            |
| Direct services                       | <u>92,135,376</u>         | <u>9,629,385</u>         | <u>6,952,718</u> | <u>(16,126)</u>     | <u>108,701,353</u> |
| Total program services                | 92,416,184                | 9,629,385                | 6,952,718        | (16,126)            | 108,982,161        |

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF OPERATIONS (CONTINUED)**

Year Ended August 31, 2024

|  | <u>New<br/>Hampshire*</u> | <u>Farnum<br/>Center</u> | <u>Vermont</u>    | <u>Eliminations</u> | <u>Total</u>        |
|--|---------------------------|--------------------------|-------------------|---------------------|---------------------|
| Supporting services:   |                           |                          |                   |                     |                     |
| Management and general   | \$ 13,397,397             | \$ 1,032,025             | \$ 762,055        | \$ (1,793,567)      | \$ 13,397,910       |
| Fundraising  | <u>2,901,179</u>          | <u>13,733</u>            | <u>129,568</u>    | <u>—</u>            | <u>3,044,480</u>    |
| Total supporting services  | <u>16,298,576</u>         | <u>1,045,758</u>         | <u>891,623</u>    | <u>(1,793,567)</u>  | <u>16,442,390</u>   |
| Total functional expenses  | 108,714,760               | 10,675,143               | 7,844,341         | (1,809,693)         | 125,424,551         |
| Support of National programs   | <u>181,245</u>            | <u>—</u>                 | <u>—</u>          | <u>—</u>            | <u>181,245</u>      |
| Total operating expenses   | <u>108,896,005</u>        | <u>10,675,143</u>        | <u>7,844,341</u>  | <u>(1,809,693)</u>  | <u>125,605,796</u>  |
| Income (loss) from operations  | 919,462                   | (1,009,514)              | 372,771           | —                   | 282,719             |
| Nonoperating (losses) gains:   |                           |                          |                   |                     |                     |
| Change in fair value of interest rate swap   | (62,496)                  | —                        | —                 | —                   | (62,496)            |
| Net unrealized and realized gains on investments, net                              | 1,489,397                 | 78,026                   | —                 | —                   | 1,567,423           |
| Loss on sales and disposals of fixed assets  | <u>(42,877)</u>           | <u>—</u>                 | <u>—</u>          | <u>—</u>            | <u>(42,877)</u>     |
| Total nonoperating gains   | <u>1,384,024</u>          | <u>78,026</u>            | <u>—</u>          | <u>—</u>            | <u>1,462,050</u>    |
| Excess (deficit) public support and revenues, and nonoperating gains over expenses | <u>\$ 2,303,486</u>       | <u>\$ (931,488)</u>      | <u>\$ 372,771</u> | <u>\$ —</u>         | <u>\$ 1,744,769</u> |

\*Includes Champlin Place, Inc. and ESNH Veterans, Inc.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF OPERATIONS**

Year Ended August 31, 2023

|                                       | <u>New<br/>Hampshire*</u> | <u>Farnum<br/>Center</u> | <u>Vermont</u>   | <u>Eliminations</u> | <u>Total</u>       |
|---------------------------------------|---------------------------|--------------------------|------------------|---------------------|--------------------|
| Public support and revenue:           |                           |                          |                  |                     |                    |
| Public support:                       |                           |                          |                  |                     |                    |
| Contributions, net                    | \$ 523,254                | \$ 11,048                | \$ 39,108        | \$ -                | \$ 573,410         |
| Special events, net                   | 828,596                   | 32,403                   | 32,435           | -                   | 893,434            |
| Annual campaigns, net                 | 303,664                   | 63,177                   | 4,226            | -                   | 371,067            |
| Bequests                              | 141,913                   | -                        | -                | -                   | 141,913            |
| Net assets released from restrictions | <u>282,031</u>            | <u>25,000</u>            | <u>60,257</u>    | <u>-</u>            | <u>367,288</u>     |
| Total public support                  | 2,079,458                 | 131,628                  | 136,026          | -                   | 2,347,112          |
| Revenue:                              |                           |                          |                  |                     |                    |
| Fees and tuition                      | 59,290,826                | 5,813,319                | 7,460,477        | (50,261)            | 72,514,361         |
| Grants                                | 28,567,311                | 4,537,713                | 534,090          | -                   | 33,639,114         |
| Gain on extinguishment of debt        | 750,000                   | -                        | -                | -                   | 750,000            |
| Dividend and interest income          | 1,447,386                 | 34,433                   | -                | -                   | 1,481,819          |
| Other                                 | 163,693                   | 4                        | -                | -                   | 163,697            |
| Intercompany revenue                  | <u>1,856,432</u>          | <u>-</u>                 | <u>-</u>         | <u>(1,856,432)</u>  | <u>-</u>           |
| Total revenue                         | <u>92,075,648</u>         | <u>10,385,469</u>        | <u>7,994,567</u> | <u>(1,906,693)</u>  | <u>108,548,991</u> |
| Total public support and revenue      | 94,155,106                | 10,517,097               | 8,130,593        | (1,906,693)         | 110,896,103        |
| Operating expenses:                   |                           |                          |                  |                     |                    |
| Program services:                     |                           |                          |                  |                     |                    |
| Public health education               | 18,834                    | -                        | -                | -                   | 18,834             |
| Professional education                | 147,597                   | -                        | -                | -                   | 147,597            |
| Direct services                       | <u>77,804,329</u>         | <u>9,985,452</u>         | <u>6,821,585</u> | <u>(50,261)</u>     | <u>94,561,105</u>  |
| Total program services                | 77,970,760                | 9,985,452                | 6,821,585        | (50,261)            | 94,727,536         |

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF OPERATIONS (CONTINUED)**

Year Ended August 31, 2023

|  | <u>New<br/>Hampshire*</u> | <u>Farnum<br/>Center</u> | <u>Vermont</u>    | <u>Eliminations</u> | <u>Total</u>        |
|--|---------------------------|--------------------------|-------------------|---------------------|---------------------|
| Supporting services:   |                           |                          |                   |                     |                     |
| Management and general   | \$ 10,704,871             | \$ 1,096,826             | \$ 760,752        | \$ (1,856,432)      | \$ 10,706,017       |
| Fundraising  | <u>2,213,847</u>          | <u>25,441</u>            | <u>127,712</u>    | <u>—</u>            | <u>2,367,000</u>    |
| Total supporting services  | <u>12,918,718</u>         | <u>1,122,267</u>         | <u>888,464</u>    | <u>(1,856,432)</u>  | <u>13,073,017</u>   |
| Total functional expenses  | 90,889,478                | 11,107,719               | 7,710,049         | (1,906,693)         | 107,800,553         |
| Support of National programs   | <u>166,882</u>            | <u>—</u>                 | <u>—</u>          | <u>—</u>            | <u>166,882</u>      |
| Total operating expenses   | <u>91,056,360</u>         | <u>11,107,719</u>        | <u>7,710,049</u>  | <u>(1,906,693)</u>  | <u>107,967,435</u>  |
| Income (loss) from operations  | 3,098,746                 | (590,622)                | 420,544           | —                   | 2,928,668           |
| Nonoperating gains (losses):   |                           |                          |                   |                     |                     |
| Change in fair value of interest rate swap   | 463,504                   | —                        | —                 | —                   | 463,504             |
| Net unrealized and realized losses on investments                                  | (60,635)                  | (11,109)                 | —                 | —                   | (71,744)            |
| Gain on sales and disposals of fixed assets  | <u>11,077</u>             | <u>—</u>                 | <u>—</u>          | <u>—</u>            | <u>11,077</u>       |
| Total nonoperating gains (losses)  | <u>413,946</u>            | <u>(11,109)</u>          | <u>—</u>          | <u>—</u>            | <u>402,837</u>      |
| Excess (deficit) public support and revenues, and nonoperating gains over expenses | <u>\$ 3,512,692</u>       | <u>\$ (601,731)</u>      | <u>\$ 420,544</u> | <u>\$ —</u>         | <u>\$ 3,331,505</u> |

\*Includes Champlin Place, Inc.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENTS OF CHANGES IN NET ASSETS**

Years Ended August 31, 2024 and 2023

|  | <u>New<br/>Hampshire*</u> | <u>Farmum<br/>Center</u> | <u>Vermont</u>     | <u>Eliminations</u> | <u>Total</u>        |
|--|---------------------------|--------------------------|--------------------|---------------------|---------------------|
| Balances at September 1, 2022  | \$29,621,252              | \$12,387,057             | \$1,421,272        | \$ -                | \$43,429,581        |
| Excess (deficit) public support and revenues, and nonoperating gains over expenses | 3,512,692                 | (601,731)                | 420,544            | -                   | 3,331,505           |
| Restricted net unrealized and realized gains on investments                        | 48,920                    | -                        | -                  | -                   | 48,920              |
| Restricted dividend and interest income  | 17,420                    | -                        | -                  | -                   | 17,420              |
| Restricted gifts, bequests and contributions, net                                  | 346,164                   | 25,000                   | 6,200              | -                   | 377,364             |
| Decrease in fair value of beneficial interest in trust                             | (4,353)                   | -                        | -                  | -                   | (4,353)             |
| Net assets released from restrictions used for operations                          | <u>(282,031)</u>          | <u>(25,000)</u>          | <u>(60,257)</u>    | <u>-</u>            | <u>(367,288)</u>    |
| Increase (decrease) in net assets  | <u>3,638,812</u>          | <u>(601,731)</u>         | <u>366,487</u>     | <u>-</u>            | <u>3,403,568</u>    |
| Balances at August 31, 2023  | 33,260,064                | 11,785,326               | 1,787,759          | -                   | 46,833,149          |
| Excess (deficit) public support and revenues, and nonoperating gains over expenses | 2,303,486                 | (931,488)                | 372,771            | -                   | 1,744,769           |
| Restricted net unrealized and realized gains on investments                        | 137,313                   | -                        | -                  | -                   | 137,313             |
| Restricted dividend and interest income  | 19,077                    | -                        | -                  | -                   | 19,077              |
| Restricted gifts, bequests and contributions, net                                  | 2,553,837                 | 70,000                   | 13,500             | -                   | 2,637,337           |
| Restricted grants  | 3,728,359                 | -                        | -                  | -                   | 3,728,359           |
| Increase in fair value of beneficial interest in trust                             | 114                       | -                        | -                  | -                   | 114                 |
| Net assets released from restrictions used for operations                          | (203,840)                 | (21,800)                 | (4,736)            | -                   | (230,376)           |
| Other  | <u>7,352,463</u>          | <u>(7,176,580)</u>       | <u>(175,883)</u>   | <u>-</u>            | <u>-</u>            |
| Increase (decrease) in net assets  | <u>15,890,809</u>         | <u>(8,059,868)</u>       | <u>205,652</u>     | <u>-</u>            | <u>8,036,593</u>    |
| Balances at August 31, 2024  | <u>\$49,150,873</u>       | <u>\$ 3,725,458</u>      | <u>\$1,993,411</u> | <u>\$ -</u>         | <u>\$54,869,742</u> |

\*Includes Champlin Place, Inc. and ESNH Veterans, Inc. (in 2024).

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended August 31, 2024

|   | <u>New<br/>Hampshire*</u> | <u>Farnum<br/>Center</u> | <u>Vermont</u>      | <u>Eliminations</u>   | <u>Total</u>          |
|---|---------------------------|--------------------------|---------------------|-----------------------|-----------------------|
| Salaries and related expenses                   | \$ 80,166,874             | \$ 7,324,488             | \$ 6,120,649        | \$ -                  | \$ 93,612,011         |
| Professional fees                               | 13,644,836                | 1,997,584                | 846,269             | (1,794,213)           | 14,694,476            |
| Supplies  | 1,967,901                 | 432,609                  | 45,606              | -                     | 2,446,116             |
| Telephone                                       | 662,520                   | 63,134                   | 77,002              | -                     | 802,656               |
| Postage and shipping                            | 36,409                    | 995                      | 21,321              | -                     | 58,725                |
| Occupancy                                       | 2,841,587                 | 339,444                  | 379,144             | -                     | 3,560,175             |
| Outside printing, artwork and media             | 63,430                    | 239                      | 15,883              | -                     | 79,552                |
| Travel  | 1,657,126                 | 17,513                   | 170,232             | (15,480)              | 1,829,391             |
| Conventions and meetings                        | 240,314                   | 16,304                   | 13,202              | -                     | 269,820               |
| Specific assistance to individuals              | 1,236,741                 | 10,188                   | 33,677              | -                     | 1,280,606             |
| Dues and subscriptions                          | 46,980                    | 1,919                    | 159                 | -                     | 49,058                |
| Minor equipment purchases and equipment rentals | 344,971                   | 27,822                   | 6,570               | -                     | 379,363               |
| Ads, fees and miscellaneous                     | 1,178,382                 | 72,527                   | 80,895              | -                     | 1,331,804             |
| Interest  | 815,907                   | 142,642                  | -                   | -                     | 958,549               |
| Depreciation and amortization                   | 1,687,346                 | 227,735                  | 33,732              | -                     | 1,948,813             |
| Other program expenses                          | <u>2,123,436</u>          | <u>-</u>                 | <u>-</u>            | <u>-</u>              | <u>2,123,436</u>      |
|   | <u>\$ 108,714,760</u>     | <u>\$ 10,675,143</u>     | <u>\$ 7,844,341</u> | <u>\$ (1,809,693)</u> | <u>\$ 125,424,551</u> |

\* Includes Champlin Place, Inc. and ESNH Veterans, Inc.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended August 31, 2023

|   | <u>New<br/>Hampshire*</u> | <u>Farnum<br/>Center</u> | <u>Vermont</u>      | <u>Eliminations</u>   | <u>Total</u>          |
|---|---------------------------|--------------------------|---------------------|-----------------------|-----------------------|
| Salaries and related expenses                   | \$ 66,392,788             | \$ 7,358,091             | \$ 6,006,342        | \$ —                  | \$ 79,757,221         |
| Professional fees                               | 11,560,471                | 2,113,838                | 830,368             | (1,856,432)           | 12,648,245            |
| Supplies  | 1,736,449                 | 450,352                  | 42,655              | —                     | 2,229,456             |
| Telephone                                       | 607,196                   | 79,626                   | 76,852              | —                     | 763,674               |
| Postage and shipping                            | 39,002                    | 889                      | 24,532              | —                     | 64,423                |
| Occupancy                                       | 2,727,997                 | 453,018                  | 317,250             | —                     | 3,498,265             |
| Outside printing, artwork and media             | 37,877                    | —                        | 13,089              | —                     | 50,966                |
| Travel  | 1,562,364                 | 17,453                   | 193,104             | (14,221)              | 1,758,700             |
| Conventions and meetings                        | 174,310                   | 114,459                  | 8,164               | —                     | 296,933               |
| Specific assistance to individuals              | 1,533,890                 | 8,451                    | 47,994              | (36,040)              | 1,554,295             |
| Dues and subscriptions                          | 48,344                    | 856                      | 319                 | —                     | 49,519                |
| Minor equipment purchases and equipment rentals | 242,674                   | 24,460                   | 13,716              | —                     | 280,850               |
| Ads, fees and miscellaneous                     | 1,033,220                 | 71,759                   | 102,255             | —                     | 1,207,234             |
| Interest  | 644,467                   | 146,371                  | —                   | —                     | 790,838               |
| Depreciation and amortization                   | 1,573,429                 | 268,096                  | 33,409              | —                     | 1,874,934             |
| Other program expenses                          | <u>975,000</u>            | <u>—</u>                 | <u>—</u>            | <u>—</u>              | <u>975,000</u>        |
|   | <u>\$ 90,889,478</u>      | <u>\$ 11,107,719</u>     | <u>\$ 7,710,049</u> | <u>\$ (1,906,693)</u> | <u>\$ 107,800,553</u> |

\* Includes Champlin Place, Inc.

# CATHY KUHN, PhD

## NONPROFIT EXECUTIVE LEADER

### STRATEGIST | COMMUNITY RELATIONS | NONPROFIT MANAGEMENT

Agile, innovative leader with a proven record of accomplishments, creating long-standing trust and respect from executives, staff, key stakeholders, and media. Results-oriented professional with a natural ability to motivate others to achieve desired outcomes. Knowledgeable and articulate advocate with a proven track record of results

#### *Signature Achievements & Competencies*

- Doubled budget of the Metropolitan Housing Coalition in one year with private foundation grants and contracts.
- Managed over \$4 million in local, federal and state funding sources at Families in Transition. Secured over \$400,000 in private foundation grants in 2019, over \$500,000 in private foundation grants in 2018, as well as a new federal grant for \$1.5 million over five years.
- Provided strategic direction for all agency activities including Emergency Shelter and Housing Services, Research and Evaluation, Marketing and Communications, Resource Development, Grants Management, Property Management and Housing Development.
- Served as subject matter expert on the issue of homelessness across the state of New Hampshire. Currently serve as subject matter expert for TV, radio and print media on a range of issues related to safe and affordable housing. in Louisville, KY.
- Develop and foster strong relationships with city, state, federal and corporate partners.
- Served as the Chairperson of the NH Governor's Interagency Council of Homelessness, appointed by Governor Hassan and Governor Sununu.

### PROFESSIONAL HIGHLIGHTS

#### EXECUTIVE DIRECTOR

##### **Metropolitan Housing Coalition** Louisville, KY | October 2020 - Present

- Responsible for all aspects of agency operations including board development and engagement, financial management and forecasting; fundraising; strategic planning; communications and marketing; outcomes and evaluation.
- Leader in advocacy regarding all aspects of affordable housing including fair housing; vacant and abandoned properties; land development code reform; utility insecurity.
- Led successful application for national affordable housing learning collaborative. Louisville was 1 in 8 cities selected for participation in the Housing Solutions Collaborative in partnership with over 10 local organizations.
- Received \$120,000 research grant to investigate interventions to reduce the high rate of evictions in Louisville.
- Serve as local expert on issues related to affordable housing, participating on dozens of local housing committees and panels, as well as key spokesperson for TV, print, and radio media.

**PROFESSIONAL HIGHLIGHTS - CONTINUED**

**HOUSING DEVELOPMENT CONSULTANT**

**Easter Seals NH, VT and ME | January-July 2021**

- Provide consultation to Easter Seals NH on acquisition of new permanent supportive housing projects for people experiencing homeless in New Hampshire.
- Provide assistance to Easter Seals NH on the development of new affordable housing in Northern New England.
- Provide consultation to Easter Seals NH on Property Management processes and funding compliance.

**PROFESSIONAL HIGHLIGHTS - CONTINUED**

**CHIEF STRATEGY OFFICER/INTERIM TEAM EXECUTIVE DIRECTOR**

**Families in Transition Manchester, NH | Oct 2019-June 2020**

*VP, Research and Training (2009-2019) Director, Housing Development (2007-2008)*

- Appointed Interim Team Leader after departure of agency founder in October 2019. Assigned supervisory responsibilities for staff and departments formerly supervised by the former President including Property Maintenance and Housing Development, Resource Development, and Marketing and Communications.
- Led the agency through the COVID-19 pandemic, successfully and immediately standing up the city's only decompression and quarantine site for people experiencing homelessness. Ensured a safe working environment for all staff and a safe living environment for over 500+ people per night.
- Core member of senior management team providing strategic direction and operational management for organization with \$13M budget and 200+ staff, operating programs in four cities and towns in New Hampshire.
- Provided strategic direction for Emergency Shelter and Housing Intake, Research and Evaluation, Marketing and Communications, Resource Development, Grants Management, Property Management and Housing Development.
- Acted as agency spokesperson.
- Led fundraising, construction and programmatic development of new emergency shelters and permanent supportive housing programs across New Hampshire.
- Acted as the direct supervision to 11 staff at all levels ranging from senior management, mid-management, frontline, administration and 1 VISTA (Volunteer in Service to America).
- Provided strategic guidance in the merger of the organization with another large nonprofit and provided oversight for the rebranding process.
- Successfully started Housing Benefits, an independent Community Housing Development Organization (CHDO) and ensured compliance with 501c3 and CHDO requirements.
- Managed the maintenance and administration of existing and new housing projects.
- Led agency evaluation efforts on existing programs and services to ensure fidelity with evidence-based models.
- Led high quality training and educational forums for both staff and citizens on existing research regarding homelessness and the provision of evidence based practices.

**PROFESSIONAL HIGHLIGHTS - CONTINUED**

**DIRECTOR**

**New Hampshire Coalition to End Homelessness | 2012-2020**

- Established, developed and managed agency Board of Directors.
- Led statewide advocacy activities in the response to COVID-19 highlighting the need for shelter decompression, isolation and quarantine locations, testing, and PPEs for staff and people experiencing homelessness in NH.
- Served as subject matter expert on the issue of homelessness across the state.
- Developed and authored annual report on the State of Homelessness in New Hampshire.
- Management of all programmatic and financial affairs of the agency including strategic planning and implementation of new programming.
- Created and implemented the Granite Leaders Program, a six month leadership training program for people with histories of homelessness interested in leadership opportunities in their communities.
- Provided trainings on trauma informed services and other best practices in service provision for people experiencing homelessness.
- Researched and authored Community Analyses of Housing and Homelessness, Wakefield, NH. 2018
- Developed and implemented marketing strategies and public awareness activities.
- Identified and led statewide collaborations and innovations in homeless services, including the establishment of the NH Homeless Advocate Leader Collaborative.
- Served as the Chairperson of the NH Governor’s Interagency Council of Homelessness, appointed under Governor Hassan and Governor Sununu.
- Led state and local advocacy efforts including public testimony at legislative hearings.
- Founded Research Program Facilitating Research on Homelessness with faculty and students in institutions of higher learning across NH.

**PROFESSIONAL HIGHLIGHTS - CONTINUED**

**ADJUNCT PROFESSOR**

**St Anselm College, Southern New Hampshire University, New Hampshire Technical Institute  
Manchester and Concord, NH | 2006 – Present**

- Courses taught include: Social and Professional Issues in Human Services; Introduction to Sociology; Poverty and Social Welfare Policy; Sociology of Gender; Social Stratification; Race and Ethnicity; Family and Society.
- Consistently receive high evaluations from students of all backgrounds and abilities.

**Additional Achievements, Education & Board Service, Continued Page 3**

**PROFESSIONAL HIGHLIGHTS - CONTINUED**

**UNITED STATES PEACE CORPS VOLUNTEER  
PANAMA | 1997-1999**

- Environmental Education Instructor, Grades K-5.

**EDUCATION & PROFESSIONAL DEVELOPMENT**

**Ph.D. Sociology/Urban Studies, July 2006**  
Michigan State University

**Master of Science Resource Development/Urban Studies, May 2001**  
Michigan State University

**Bachelor of Science, *cum laude*, Environmental Studies, May 1995**  
Rollins College, Winter Park, FL

**BOARD LEADERSHIP & PROFESSIONAL ACHIEVEMENTS**

**Co-Author of Chapter in Forthcoming Book.** Oxford University Press comprehensive, interdisciplinary volume on hope. "Hope and Homelessness." with Therese Seibert, PhD | May 2021-Present.

*Awardee, 2020 Home Matters in NH Award for Affordable Housing and Ending Homelessness Advocacy in NH.* | December 16, 2020.

*Chair, NH Governor's Interagency Council on Homelessness* | 2016 – August 2020.

*Vice Chair, Manchester Continuum of Care* | 2017-August 2020.

*Governing Council Member, Housing Action New Hampshire* | 2016– August 2020.

*Member, Housing and Community Development Planning Committee* | 2018-August 2020.  
*New Hampshire Housing and Finance Authority*

*Board Member, Concord Coalition to End Homelessness* | 2014-2016

*Graduate, Leadership New Hampshire* | Class of 2019

*Awardee, NH Union Leader 40 Under Forty* | Class of 2012  
Recognizing young leaders making a difference in the state.

*Interviewee, Movers & Shakers iHeartRADIO Show* | June 2020  
A series of interviews of leaders from all over the country

*Guest on NHPR's The Exchange Radio Show* | 2013, 2014, 2015, 2016 and 2019.

**Guest on KY Radio Alliance Show** | 2021

**CATHY KUHN, PhD**

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**BOARD LEADERSHIP & PROFESSIONAL ACHIEVEMENTS, CONTINUED**

**Guest on Louisville Public Meida's *In Conversation* Radio Show | September 2021**

***Subject Matter Expert***

Appearance in TV and print media sources including  
WMUR, NH1, Union Leader, Seacoast Online, HIPPO, Manchester Ink Link,  
NH Business Review, Laconia Daily Sun, Christian Science Monitor, AP, Courier Journal, Louisville Public Media, Spectrum  
News, etc.de



Experienced Leader  
Operations Excellence  
Green Belt

Personal Info

Green Belt Projects

- Created Travel Clinic
- Maternal Mental Health Safety Bundle for inpatient and outpatient setting
- Master Connections Associates Training for ambulatory practices
- Established Center for Women's Health & Wellness

Additional Activities

- SURT (Substance Use Resource Team) Champion
- "It's About Dignity" Led drive raising 1,780 items for GATHER Seacoast
- Seacoast Cancer Center 5K Ambassador and Team Captain
- Seacoast Mom & Baby Festival
- WERZ Bridal Showcase

...ic professional offering 25+ years of experience building and growing multi-provider centers of care with focus on patient experience, cost-saving solutions, streamlining resources, workflows and problem solving. Integrity-driven and highly organized change agent.

Experience

**Senior Vice President Practice Management- Easterseals NH/VT & Farnum Center** January 2023-Current

- Established short-term and long-term objectives to increase process efficiency.
- Facilitated Compliance efforts for billing, internal and external audits and policy creation
- Implemented workflows following best practice models for outpatient care
- Instituted KPI and industry utilization standard metrics
- Identification of process gaps and implementation of sustainable procedures
- Identified areas of opportunity for revenue recovery and expense reduction

**Practice Manager III- Wentworth Health Partners OB/GYN & Infertility and Center for Women's Health & Wellness** March 2017-December 2022

- Transformed 4.7 FTE Provider practice to 18.1 FTE Provider practice with two locations.
  - Exceeded strategic goals for growth, patient visits by 316%, new obstetric panel by 472% and deliveries by 276%. Integrated nutrition, behavioral health, health coaching and nurse navigation for high risk and fertility. Net revenue growth from \$1.5 million to \$5.5 million.
- Developed and implemented patient safety and education measures
- Facilitated integration of Physicians from Mass General Hospital Maternal Fetal Medicine, Gynecology Oncology and Urogynecology, to complement existing service.
- Spearheaded initiatives to transform clinical and clerical operations.
- Repurposed space during Covid-19 to operationalize Covid Hotline for community questions, symptom triage, scheduling and resulting tests. Collaboration with Surgical Services for pre-surgical screening and planning. 28 nurses, 4 locations. Fielded over 6,700 incoming calls.
- Financial reporting and data analysis

**Practice Manager-Coastal Neurology Services, Inc.** October 2000-March 2017

- Created budget and accounting practices for private practice.
  - Tax reporting, vendor contracting, medical billing, A/R, A/P, appeals, created fee schedule, benchmarking, and reporting, corporate documents
- Human resources
  - Retirement, profit sharing, cafeteria plans, created performance evaluation tool and process, physician credentialing
- Facilitated Clinical Trials for Alzheimer's, Multiple Sclerosis, Lambert-Eaton Syndrome, Parkinson's Disease. Psychometrician for Elan Alzheimer's Study
- Staffing recruiter for Wentworth Health Partners practices. Facilitation and inclusion of 200+ interviews for clerical, clinical and provider staffing.
- Patient flow and capacity management
- Initiation of Compliance and HIPAA program

Education and Additional Training

- Granite State College-Associates in Business Management, magna cum laude
- Operations Excellence Green Belt Certified
- Master Connections Associates (Ritz Carleton) Facilitator
- CITI Program-Human Subjects Research Biomedical Research Basic
- CRST (Clinical Research Training)-Coordination of Clinical Trials