Caitlin D. Davis
Commissioner

Richard K. Sala
Deputy Commissioner

STATE OF NEW HAMPSHIRE
Department of Education
25 Hall Street
Concord, NH 03301
TEL. (603) 271-3495

August 5, 2026

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

REQUESTED ACTION

Authorize the Department of Education, Division of Learner Support, Bureau of Career Development to enter into a grant agreement with Southern New Hampshire Services, Inc. (VC# 177198), Manchester, New Hampshire in an amount not to exceed $466,595.49 to provide adult education and literacy programs as defined under the Workforce Innovation and Opportunity Act of 2014, effective upon Governor and Council approval through June 30, 2029. **41% Federal Funds, 59% General Funds.**

Funds to support this request are available in FY 2027 and are anticipated to be available in FY2028 and 2029 upon the availability and continued appropriation of funds in the future operating budget, with the ability to adjust encumbrances between Fiscal Years within the price limitation through the Budget Office, if needed and justified.

6-56-56-562010-40370000-Adult Education-Federal

Fiscal Year	Class / Account	Class Title	Amount
2027	072-500575	Grants Federal	$64,096.98
2028	072-500575	Grants Federal	$64,096.98
2029	072-500575	Grants Federal	$64,096.98
		Total	$192,290.94

06-56-56-562010-40390000-Adult Education-State

Fiscal Year	Class / Account	Class Title	Amount
2027	601-500931	State Fund Match	$91,434.85
2028	601-500931	State Fund Match	$91,434.85
2029	601-500931	State Fund Match	$91,434.85
		Total	$274,304.55

Budget Summary				
Fiscal Year	2027	2028	2029	Total
Amount	$155,531.83	$155,531.83	$155,531.83	$466,595.49

EXPLANATION

A Request for Applications (RFA) was released on April 15, 2026, on the NH Department of Education's (the Department) website and distributed through the Department's communication system. All Adult Education and Literacy (AEL) grants are multi-year agreements awarded through a competitive application process that is open to all eligible providers as defined by the Workforce Innovation and Opportunity Act (WIOA) Section 203(5), which includes local education agencies and nonprofit agencies. Fifteen applications were received and reviewed using the criteria and scoring rubric in the RFA for evaluating the applications (See Attachment A). A total of fourteen grants will be awarded: five to nonprofit agencies and nine to local education agencies whose applications met the criteria for funding and surpassed the minimum score on the application rubric. The remaining application was not scored because it did not meet the RFA requirements. The price limitation in the contract represents the allocation for all three years of the grant cycle, whereas the proposed price in Attachment A was requested funding for one year. Based upon funds available, Southern New Hampshire Services was awarded $155,531.83 per year.

The goal of New Hampshire's AEL programming is to assist adults through academic instruction below the postsecondary level that strengthens reading, writing, English language proficiency, mathematics, and other skills necessary for earning a high school credential; obtaining workforce credentials; transitioning to postsecondary education and training; and obtaining employment. New Hampshire's AEL programs have consistently exceeded federal performance targets, and the impact continues to grow. In the 2024–2025 program year, New Hampshire programs achieved a 35.51% Measurable Skill Gain rate, exceeding the federally negotiated target by 5%, while serving more than 3,000 learners and providing over 200,000 hours of instruction statewide.

These outcomes reflect an adult education system that continues to deliver educational, employment, earnings, and credentialing results for learners. The state's sustained performance across program years underscores the effectiveness of its adult education investments and supports the need for AEL funding to expand access and maintain this trajectory of success. Approval of this grant agreement will allow the Department to sustain high performing adult education services in New Hampshire and ensure continuity of programming that directly advances statewide workforce, education, and integration goals.

Respectfully submitted,

Caitlin D. Davis

Caitlin D. Davis
Commissioner of Education

Attachment A

Bid Scoring Summary Sheet

Adult Education and Literacy Activities Request for Applications (RFA)

Criteria for Evaluation and Scoring	Potential Points	Exeter Adult Education	Second Start	International Institute of New England	Nashua Adult Learning Center	Southern NH Services	Lebanon Adult Education	Littleton Above the Notch
Proposed Price		$201,666.03	$512,045.01	$812,306.82	$586,074.12	$202,292.99	$225,715.84	$234,094.80
Absolute Priority 1(a): Demonstrates effectiveness and data capacity Absolute Priority 1(b): Addresses participant needs through quality instruction Absolute Priority 1(c): Ensures curriculum alignment, intensity, and quality	90	74	80	77	75	78	63	44
Absolute Priority 2: Alignment with the New Hampshire WIOA Combined State Plan	30	30	25	25	28	30	28	18
Absolute Priority 3: Cooperative Agreements and Partnerships	30	26	28	25	27	27	24	24
Absolute Priority 4: Demonstration of Financial Stability	15	18	12	13	8	10	15	14
Competitive Priority 1: Consortium Model	25	22	22	21	0	3	7	22
Competitive Priority 2: Educator Effectiveness and Evaluation	25	22	18	17	15	22	15	15
Competitive Priority 3: Integrated Education and Training	25	24	22	22	17	0	15	15
Total Points Awarded:	**240**	**215**	**207**	**201**	**170**	**170**	**162**	**153**

Criteria for Evaluation and Scoring	Potential Points	Keene Community Education	Carroll County Adult Education	Dover Adult Learning Center	Laconia Adult Education	Pemi-Baker Literacy (Plymouth)	Salem Adult Education	The Upper Room	Rochester School District
Proposed Price		$190,000.00	$195,703.21	$343,297.04	$120,802.00	$53,431.18	$92,290.65	$20,000.00	$223,668.00
Absolute Priority 1(a): Demonstrates effectiveness and data capacity Absolute Priority 1(b): Addresses participant needs through quality instruction Absolute Priority 1(c): Ensures curriculum alignment, intensity, and quality	90	48	53	52	56	41	46	30	N/A
Absolute Priority 2: Alignment with the New Hampshire WIOA Combined State Plan	30	24	23	20	14	13	10	15	N/A
Absolute Priority 3: Cooperative Agreements and Partnerships	30	22	18	20	24	18	12	8	N/A
Absolute Priority 4: Demonstration of Financial Stability	15	10	10	10	10	8	10	2	N/A
Competitive Priority 1: Consortium Model	25	13	2	13	11	11	8	5	N/A
Competitive Priority 2: Educator Effectiveness and Evaluation	25	15	17	13	11	8	0	12	N/A
Competitive Priority 3: Integrated Education and Training	25	10	18	11	4	5	2	3	N/A
Total Points Awarded:	**240**	**142**	**142**	**140**	**130**	**104**	**88**	**75**	N/A

Name of Reviewers	Department/Organization
Jeffry Beard	State CTE Director - Department of Education, Office of Career and Technical Education
Manuela Bitter-Shuey	Training Coordinator - Department of Education, Bureau of Vocational Rehabilitation
Joseph Doiron	Director of Workforce Development - Department of Business and Economic Affairs
Stephanie Gray-Lemay	Education Consultant - Department of Education, Office of Career and Technical Education
Chantel Hagan	Policy and Training Administrator - Department of Education, Bureau of Vocational Rehabilitation
Stefanie King	Department of Education, Bureau of Instructional Support
Nicole Levesque	Work-Based Learning Coordinator - Department of Education, Office of Career and Technical Education
Diane Lewis	Education Consultant - Department of Education, Office of Career and Technical Education
Kathryn Maffei	CTE Program Specialist - Department of Education, Office of Career and Technical Education
Nicholas Masi	Workforce Development Administrator - Department of Business and Economic Affairs
Nickole Milo	Academic Advisor and Accessibility Coordinator - Community College System of New Hampshire
Melissa Salmon	WIOA Program Specialist - Department of Business and Economic Affairs
Anne Wallace	Mathematics/STEM Specialist - Department of Education, Bureau of Instructional Support
Shawna Young	Director of Secondary Education Partnerships - Community College System of New Hampshire

Review Process

Scoring review occurred from Monday June 1, 2026, through Friday, June 12, 2026. Applications were reviewed and scored individually by reviewers. The final score for each vendor was awarded based on an average of individual reviewer scores. There were 15 applications received and 14 applications were awarded grants based on meeting the RFA criteria and the minimum cut score of 69 points. The remaining application was not scored due to not meeting the requirements of Absolute Priority One of the RFA.

GRANT AGREEMENT

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

1. Identification and Definitions.

1.1. State Agency Name New Hampshire Department of Education		**1.2. State Agency Address** 25 Hall Street Concord, NH 03301	
1.3. Grantee Name Southern New Hampshire Services Inc.		**1.4. Grantee Address** 40 Pine St Manchester, NH 03108	
1.5 Grantee Phone # 603-668-8010	**1.6. Account Number** See Exhibit C	**1.7. Completion Date** 06/30/2029	**1.8. Grant Limitation** $ 466,595.49
1.9. Grant Officer for State Agency Chrissy Vander Hook		**1.10. State Agency Telephone Number** 1-603-271-2065	
If Grantee is a municipality or village district: **"By signing this form we certify that we have complied with any public meeting requirement for acceptance of this grant, including if applicable RSA 31:95-b."**			
1.11. Grantee Signature 1		**1.12. Name & Title of Grantee Signor 1** Ryan Clouthier Chief Executive Officer	
Grantee Signature 2		**Name & Title of Grantee Signor 2**	
Grantee Signature 3		**Name & Title of Grantee Signor 3**	
1.13 State Agency Signature(s) Caitlin D Davis 8/11/26		**1.14. Name & Title of State Agency Signor(s)** Caitlin D. Davis, Commissioner of Education	
1.15. Approval by Attorney General (Form, Substance and Execution) (if G & C approval required) Elizabeth A. Brown **By:** Elizabeth Brown, Attorney		**Assistant Attorney General, On:** 8 /11 / 26	
1.16. Approval by Governor and Council (if applicable) **By:**		**On:** / /	

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

3. AREA COVERED. Except as otherwise specifically provided for herein, the Grantee shall perform the Project in, and with respect to, the State of New Hampshire.

4. EFFECTIVE DATE: COMPLETION OF PROJECT.

4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire if required (block 1.16), or upon signature by the State Agency as shown in block 1.14 ("the Effective Date").

4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.7 (hereinafter referred to as "the Completion Date").

5. GRANT AMOUNT: LIMITATION ON AMOUNT: VOUCHERS: PAYMENT.

5.1. The Grant Amount is identified and more particularly described in EXHIBIT C, attached hereto.

5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT C.

5.3. In accordance with the provisions set forth in EXHIBIT C, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.

5.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.

5.5. Notwithstanding anything in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made, hereunder exceed the Grant limitation set forth in block 1.8 of these general provisions.

6. COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS. In connection with the performance of the Project, the Grantee shall comply with all statutes, laws regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Grantee, including the acquisition of any and all necessary permits and RSA 31-95-b.

7. RECORDS and ACCOUNTS.

7.1. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency, the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.

7.2. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency pursuant to subparagraph 7.1, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in block 1.3 of these provisions

8. PERSONNEL.

8.1. The Grantee shall, at its own expense, provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.

8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.

8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.

9. DATA; RETENTION OF DATA; ACCESS.

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

9.2. Between the Effective Date and the Completion Date the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.

9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State.

9.4. On and after the Effective Date all data, and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason, whichever shall first occur.

9.5. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.

10. CONDITIONAL NATURE OR AGREEMENT. Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.

11. EVENT OF DEFAULT: REMEDIES.

11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):

11.1.1 Failure to perform the Project satisfactorily or on schedule; or

11.1.2 Failure to submit any report required hereunder; or

11.1.3 Failure to maintain, or permit access to, the records required hereunder; or

11.1.4 Failure to perform any of the other covenants and conditions of this Agreement.

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

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

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

11.2.3 Set off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and

11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity, or both.

12. TERMINATION.

12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination.

12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.

12.3. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligations hereunder.

12.4. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice default has been given to the Grantee hereunder, the Grantee, may terminate this Agreement without cause upon thirty (30) days written notice.

13. CONFLICT OF INTEREST. No officer, member of employee of the Grantee, and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or

Initials

Date 7·27·20

approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.

14. GRANTEE'S RELATION TO THE STATE. In the performance of this Agreement the Grantee, its employees, and any subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.

15. ASSIGNMENT AND SUBCONTRACTS. The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Grantee other than as set forth in Exhibit B without the prior written consent of the State.

16. INDEMNIFICATION. The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or subcontractor, or subgrantee or other agent of the Grantee. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.

17. INSURANCE.

17.1 The Grantee shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:

17.1.1 Statutory workers' compensation and employees liability insurance for all employees engaged in the performance of the Project, and

17.1.2 General liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than $1,000,000 per occurrence and $2,000,000 aggregate for bodily injury or death any one incident, and $500,000 for property damage in any one incident; and

17.2. The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Grantee shall furnish to the State, certificates of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy.

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

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

20. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Council of the State of New Hampshire, if required or by the signing State Agency.

21. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intend of the parties hereto.

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

23. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings relating hereto.

24. SPECIAL PROVISIONS. The additional or modifying provisions set forth in Exhibit A hereto are incorporated as part of this agreement.

Initials P
Date 7-27-26

EXHIBIT A

Special Provisions

1. The Exhibits and appendices referred to in and attached to the Grant are incorporated by reference as if fully included in the text of the Grant.

    - Exhibit D: Grant Award Notification
    - Appendix 1: 2026-2027 Program Assurances
    - Appendix 2: 2026-2027 General Assurances

2. The Grantee must sign the General Assurances from the NH Department of Education, Bureau of Federal Compliance and the Program Assurances annually.

Initials ___
Date 7-27-26

EXHIBIT B

Scope of Services

Southern New Hampshire Services, English for New Americans in Manchester, NH will:

(1) assist adults to become literate and obtain the knowledge and skills necessary for employment and economic self-sufficiency;

(2) assist adults who are parents or family members to obtain the education and skills that:

(A) are necessary to becoming full partners in the educational development of their children; and

(B) lead to sustainable improvements in the economic opportunities for their family;

(3) assist adults in attaining a secondary school diploma and in the transition to post-secondary education and training, including through career pathways; and

(4) assist immigrants and other individuals who are English language learners in:

(A) improving their;

i. reading, writing, speaking, and comprehension skills in English; and

ii. mathematics skills; and

(B) acquiring an understanding of the American system of Government, individual freedom, and the responsibilities of citizenship. (AEFLA Section 202)

Initials ______

Date 7-27-26

EXHIBIT C

Method of Payment

Budget	Total
Grant Funding	$466,595.49

Limitations on Price: The grant Agreement will not exceed $466,595.49.

Source of Funding: Funds to support this request are available in FY 2027 and are anticipated to be available in FY 2028 and FY 2029 upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust encumbrances between fiscal years within the price limitation through the Budget Office, if needed and justified.

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Budget Summary				
Fiscal Year	2027	2028	2029	Total
Amount	$155,531.83	$155,531.83	$155,531.83	$466,595.49

Method of Payment: Grantee shall submit monthly reports in the Grants Management System (GMS) for expenses incurred for each month. Reports shall be submitted within 15 days of the following month submitted through GMS. Supporting documents for expenditures reported each month shall be clearly identified and uploaded as attachments in GMS. Reports lacking supporting documentation will be returned to the grantee with request for additional documentation.

The Grantee will be responsible for submitting required documentation, including signed Program Assurances, Budget Worksheet, and Certificate of Insurance, at the start of each new State fiscal year to receive the annual grant allocation.

Initials ~~W~~

Date 7-27-26

Caitlin D. Davis
Commissioner

Richard K. Sala
Deputy Commissioner

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

Exhibit D - GRANT SUBAWARD NOTIFICATION

1	**Primary Award to/by** Grant Program Name: CFDA Number: Amount of Federal Award: FAIN and Initial Date:	NH Department of Education by US Department of Labor **Adult Education & Literacy Activities - Federal** 84.002 **$1,765,424.00** 26E55EE000134 on 07/01/2026
	SUBAWARD	
2	Recipient Name, LEA/RA ID, SAU, District and UEI:	Southern New Hampshire Services UEI# HLNJBCYDGVM3
3	Initial Award Date: Action Number & Type: Date of this Action:	Award to Commence upon Governor and Council Approval 1 Preliminary Award Date Assigned Upon Governor and Council Approval
4	Subaward Type: Project Description:	Formula Grant 84.002 Adult Education - State Grant Program
5	Award Period:	Federal period to complete activities and expend Program Year 2026-2027 (PY26) WIOA Title II (AEFLA) funds: July 1, 2026 - September 30, 2028 (See Block 11) Local period for Local Educational Agencies (LEAs) to complete activities and obligate/expend funds for this WIOA Title II (AEFLA) grant: July 1, 2026 - September 30, 2027. Local period for each non-profit subrecipient (Reporting Authority [RA]) to complete activities and obligate/expend funds for this WIOA Title II (AEFLA) grant will begin upon approval by Governor and Council of the RA's Grant Agreement through September 30, 2027. Period to request reimbursement of expended WIOA Title II Adult Education (AEFLA) grant 2026-2027 Program Year grant funds: July 1, 2026 - November 15, 2027.
6	Contacts:	Subrecipient: LEA Superintendent/RA Executive Director and Project Director NHED Program Administrator: Chrissy Vander Hook 603-931-0535 Chrissy.S.VanderHook@doe.nh.gov Grants Management System Contact: Courtney Frederick 603-271-6698 Courtney.L.Frederick@doe.nh.gov
7	Subaward Amount:	Previous Award Amount: 0.00 Net Change of Award Amount: $64,096.98 Updated Award Amount: $64,096.98
8	Laws, Regulations and Requirements:	EDGAR AS APPLICABLE 2 CFR AS APPLICABLE Title II of the Workforce Innovation and Opportunity Act (Adult Education and Family Literacy Act)
9	Maximum Allowed Indirect Cost Rate:	Indirect Cost Rate: 8% Max Rate: 5% Indirect Cost subject to Administrative Limitation of 5% (34 CFR 75.564(a)) https://www.education.nh.gov/sites/g/files/ehbemt326/files/inline-documents/sonh/id-rates-for-web-fy27.pdf
10	Additional Federal Conditions:	Executive Order 13513 - Prohibition of Text Messaging While Driving **This grant is not intended for research and development.**

Initials (handwritten initials)
Date 7-27-26

GRANT SUBAWARD NOTIFICATION (Continued)

11	Additional NHED Conditions:	Subrecipients shall be reimbursed for allowable and documented costs when they are incurred. No advance payments will be made. NHED may impose additional conditions (2 CFR 200.332(i), 2 CFR 200.208(b)(2) and (c)(3)) or take enforcement actions (2 CFR 200.339) which may delay and/or reduce reimbursement amounts. Reimbursement is not guaranteed unless NHED has approved the activity. The subrecipient shall submit a complete and accurate Certificate of Federal Expenditure worksheet no later than December 31st of each year to the NHED which will include any expenditures under this grant incurred in the prior fiscal year. A copy of the worksheet will be provided to each subrecipient by the NHED in September of each fiscal year. This award is subject to the contents of both the FY27 version of NHED's General Assurances, Requirements and Definitions for Participation in Federal Programs document and the FY27 Federal Program Assurances as executed by the party that may legally bind the grantee listed in Block 2 above. Acceptance of this award and its related terms and conditions, is acknowledged by the grantee when reimbursement of funds is requested through the NHED Grants Management System by the grantee.
12	Access to Records and Monitoring Requirements:	The federal awarding agency, Inspectors General, the Comptroller General of the United States, and the NHED shall have the right of access to any documents, papers, or other records of the subrecipient which are pertinent to this subaward, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the subrecipient's personnel for the purpose of interview and discussion related to such documents. In addition to reviews of audits conducted in accordance with 2 CFR 200, Subpart F, monitoring procedures may include, but not be limited to, on-site visits by NHED staff, limited scope audits, and/or other procedures. Subrecipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the NHED. In the event the NHED determines that a limited scope audit of the subrecipient is appropriate, the subrecipient agrees to comply with any additional instructions provided by NHED staff to the subrecipient regarding such audit.
13	Project Closeout Requirements:	The subrecipient shall permit the NHED access to records and financial statements as necessary for audits and monitoring during the records retention period for three years after the completion of the subaward in accordance with 2 CFR 200.334.
14	Attachments	GOVERNMENT-WIDE ADMINISTRATIVE STATUTORY AND NATIONAL POLICY REQUIREMENTS FOR U.S. DEPARTMENT OF EDUCATION AWARDS Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) Notification to Perkins and AEFLA Grantees and Subgrantees of Updated PRWORA Interpretation of Federal Public Benefits USED Clarification of Federal Public Benefits Under the PRWORA USED Dear Colleague Letter: Reminder Regarding Prohibited Use of Federal Grants Funds for Lobbying and Allowable Membership Costs.

Caitlin D. Davis

Signature of Authorizing Official
Caitlin D. Davis
New Hampshire Commissioner of Education

Dependent upon Governor and Council Approval
Date

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Date 7-22-26

EXPLANATION OF BLOCKS ON THIS SUBAWARD GRANT AWARD NOTIFICATION (GAN)

1. The Primary Award block identifies: the federal agency making the primary award; the Catalog of Federal Domestic Assistance (CFDA) subprogram title and associated subprogram number, the Federal Award Identification Number (FAIN), which typically changes each year; and the signature date on the initial grant primary award to NH Department of Education (NHED). As a pass-through agency, NHED is authorized to make and manage sub-awards.

2. Subaward Recipient: Legal name, physical address and UEI of the subrecipient. For large entities, the organizational unit with primary responsibility for funded activity may be identified. For subawards to multiple New Hampshire local education agencies (LEAs), an attachment showing LEA name, unique entity identifier (UEI), and subaward amount may be used. UEI shown have been provided by the subrecipient. NHED is not responsible for the correctness of UEI information.

3. Action Number: The cumulative number of steps (including this action) taken by NHED to-date to establish or modify this sub-award. Action number "01" indicates an Initial (i.e. new) Award.
   Action Type: The nature of the action (e.g. New Award, Continuation, Amount Modification, Performance Period Change, etc).
   Date of this Action: Effective date of action.

4. Subaward Type: Most subawards are categorical formula grants. Other types include project grants (generally a one-time grant for a specific purpose), block grants (which allow greater spending discretion), and research and development (R&D) grants.
   Project Description: Very brief description of the grant program.

5. Award Period: Date ranges for expending grant funds and requesting reimbursement. Included are any other time-sensitive conditions such as carry-over options and award periods for multi-year grants (3+ years).

6. Contacts: The subrecipient contact (identified by name or position) responsible for the grant administration. At least one NHED program contact is identified.

7. Subaward Amount: A subaward may have subsequent modifications that increase or decrease the amount of an award. "Award of this Action" indicates the amount of this action. A dollar amount indicates an increase. "Decrease of $xxx" or " ($xxx) " indicates a reduction in the award. "None" indicates no change in the amount. Previous Cumulative and Current Cumulative amounts are used to reconcile any change. If awards for a list of LEAs are being modified, this block will show the total net increase/decrease and an attachment will show individual subrecipient changes.

8. Laws, Regulations and Requirements: 2 CFR Part 200 applies to all federal awards. 34 CFR 76 applies to all USDE awards, although certain programs may be exempt from some sections. Program specific requirements or 34 CFR 76 exemptions are listed. Web link to laws, regulations or guidance may be included. Non-program specific regulations are at:
   http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html

9. Maximum Allowed Indirect Cost Rate: Identifies rate type - restricted, unrestricted, temporary, or de minimus; and cognizant authority (usually a federal agency) that approved the rate. When the program prohibits supplanting of non-federal funds, a restricted indirect cost rate with a cap of 8% must be used. (See 34 CRF 76.560-580.) For restricted rate programs, the 10% de minimus rate option does not apply to state and local governments or their sub-recipients. LEAs and SAUs rates may be included as an attachment.

10. Additional Federal Conditions: Federal requirements of the award that are binding upon the sub-recipient.

11. Additional NHED Conditions: Requirements imposed on the award by the NHED as the pass-through entity that are binding upon the sub-recipient.

12. Access to Records and Monitoring Requirements: This requirement allows the NHED, as the pass-through entity, and auditors to have access to the sub-recipient's records and financial statements as necessary to meet the NHED's responsibilities under 2 CFR 200.332.

13. Project Closeout Requirements: Activities that are required by either the terms of the award or as required by the NHED and are binding upon the sub-recipient.

14. Attachments: Provide the sub-recipient with any attachments required by either the federal agency making the primary award or NHED.

Signature of Authorizing Official – This sub-award is binding only when signed and dated by a State of New Hampshire official authorized to award funds for this federal program.

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GOVERNMENT-WIDE ADMINISTRATIVE STATUTORY AND NATIONAL POLICY REQUIREMENTS FOR U.S. DEPARTMENT OF EDUCATION AWARDS

Overview

This portion of the Notice of Award (NOA) Attachment describes Federal government-wide sources of laws and policies that apply to grantees and subgrantees of Federal awards issued by the U.S. Department of Education (ED).[1] The sources of Federal government-wide laws and policy include the U.S. Constitution, statutes, regulations, executive orders, and statements of policy.

This Attachment compiles many of the laws and policies that apply to awards; however, it is not intended to be an exhaustive list or to reproduce the full text. Some laws and policies are only applicable to awards with certain types of activities or to certain types of recipients. Additionally, ED award terms and conditions may incorporate statutes, regulations, or policies specific to an award.

Please note that some sources use different terms for grantee such as recipient. Per 34 CFR Part 77–Definitions that Apply to Department Regulations, ED uses grantee to mean the legal entity to which a grant is awarded and is accountable to the Federal Government for the use of the funds provided. Subgrantee means the government or other legal entity to which a subgrant is awarded and that is accountable to the grantee for the use of the funds provided.

Applicability of Laws and Policies

The legal order of precedence determines the order in which laws and policies may apply to Federal awards. The following list includes examples of the types of laws and policies, and is not an exhaustive list:

- U.S. Constitution
- Program-Specific Authorizations and Appropriations
- Single Audit Amendments Act of 1996
- Federal Funding Accountability and Transparency Act of 2006 (FFATA)
- Digital Accountability and Transparency Act of 2014 (DATA Act)
- Grant Reporting Efficiency and Agreements Transparency Act of 2019 (GREAT Act)
- Uniform Administrative Requirements, Cost Principles, and Audit Requirements: 2 CFR Part 200 as adopted as regulations of ED in 2 CFR 3474.
- Education Department General Administrative Regulations: 34 CFR Parts 75, 76, 77, 79, etc. (ED-specific)
    - 34 CFR Part 75-Direct Grant Programs
    - 34 CFR Part 76–State-Administered Formula Grant Programs
    - 34 CFR Part 77–Definitions that Apply to Department Regulations

[1] The content in this portion of the NOA Attachment consolidates information previously included in separate Grant Award Notification/NOA Attachments and Enclosures.

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- 34 CFR Part 79–Intergovernmental Review of Department of Education Programs and Activities
- Executive Orders
- Office of Management and Budget Memoranda (OMB Memos)
- ED and Program-specific guidance such as grant notices, Frequently Asked Questions, and other program announcements

The following general condition is applicable to all grantees:

Grantees must not use federal funds under this project in any manner that violates the United States Constitution, Title VI or Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.* or 42 U.S.C. 2000e *et seq.*), Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 *et seq.*), section 504 of the Rehabilitation Act (29 U.S.C. 794), the Age Discrimination Act of 1975 (42 U.S.C. 6101 *et seq.*), Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 *et seq.*), the Boy Scouts of America Equal Access Act of 2001 (20 U.S.C. 7905), section 117 of the Higher Education Act of 1965, as amended (20 U.S.C. 1011f), or other applicable federal law.

Please note the provisions of Executive Orders 14151, 14168, 14173, and 14190 as well as the U.S. Department of Justice's July 29, 2025, non-regulatory "Guidance for Recipients of Federal Funding Regarding Unlawful Discrimination," which clarifies the application of federal antidiscrimination laws to programs or initiatives that may involve discriminatory practices, including those labeled as Diversity, Equity, and Inclusion ("DEI") programs.

Such activities may risk violating federal civil rights laws and may jeopardize federal funding. This includes any discriminatory equity ideology in violation of a Federal anti-discrimination law. A definition of "discriminatory equity ideology" is contained in Section 2(b) of Executive Order 14190.

Additionally, grantees must comply with all "Financial Assistance General Certifications and Representations" annual registration requirements made in SAM.gov, including any provisions in the annual registration that address civil rights, DEI programs or activities, and support of illegal aliens.

To the extent that a grantee uses grant funds for such unallowable activities, ED may take appropriate enforcement action including the potential recovery of funds, or may pursue termination or withholding. The Grant Award Notification document accompanying your award may contain further terms and conditions, as necessary, to ensure grantee compliance with applicable laws, regulations, and administrative priorities.

FINANCIAL ASSISTANCE GENERAL CERTIFICATIONS AND REPRESENTATIONS

All applicants, grantees, and subgrantees of Federal financial assistance are required to register in the System for Award Management (SAM.gov) and obtain a Unique Entity Identifier (UEI) before receiving an award per 2 CFR Part 25, Unique Entity Identifier and System for Award Management.

An entity must be registered in SAM.gov before submitting applications, include their UEI in

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each application, maintain current and active registration in SAM.gov at all times during which it has an active Federal award, and review and update its information annually as a recipient or an application under consideration by a Federal agency. The applicant or recipient must review and update its information in SAM.gov annually from the date of initial registration or subsequent updates to ensure it is current and accurate.

Grantee authorized organization representatives agree to the Financial Assistance General Certifications and Representations that are binding on every award as part of registration and annual certification in SAM.gov. However, grantees may be exempted by Federal statute or the exceptions listed in 2 CFR 25.110, Exemptions to this part.

When applicants register or annually recertify in SAM.gov, their authorized organization representative agrees to the Financial Assistance General Certifications and Representations (Certifications). These Certifications are binding on every award. Laws and policies identified in these Certifications are identified in this document with the statement, "See Certifications." The Certifications in SAM.gov can be found in Appendix I of the SAM.gov Entity Registration Checklist and are incorporated by reference herein.

Laws and Policies

This section outlines various laws and policies that may apply to ED awards (including grantees and subgrantees). It is not intended to be an exhaustive list.

Requirement	Description	Source
Cash Management	Grantees are required to manage Federal grant funds in compliance with the requirements in the Payment Integrity Information Act of 2019 (PIIA), Cash Management Improvement Act of 1990 (CMIA), and as further clarified in ED and government-wide regulations.	• Payment Integrity Information Act of 2019 (PIIA) • Cash Management Improvement Act of 1990 (CMIA)
Conflict of Interest	Federal agencies must establish conflict of interest policies for Federal awards and grantees, and subgrantees must disclose in writing any potential conflict of interest to the Federal agency or pass-through entity in accordance with established Federal agency policies.	• 2 CFR Part 200.112, Conflict of interest • See Certifications
Debt Collection	After providing reasonable notice, Federal agencies or pass-through entities may withhold payments to grantee or subgrantees for financial obligations incurred after a	• OMB Circular A-129, Policies for Federal Credit Programs and Non-Tax Receivables • See Certifications

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Requirement	Description	Source
	specific date until conditions are corrected or the debt is repaid to the Federal Government.	
Drug-Free Workplace	Related to maintaining a drug-free workplace and notifying the awarding agency if an employee is convicted of violating a criminal drug law. Failure to follow these requirements may be cause for debarment.	• Drug-Free Workplace Act (41 USC 8101-8106) • 2 CFR Part 182, Government-Wide Requirements for Drug-Free Workplace (Financial Assistance) • See Certifications
Executive Compensation Reporting	Related to requirements to report certain information on compensation for executives.	• Federal Funding Accountability and Transparency Act of 2006 (FFATA) • 2 CFR Part 170, Reporting Subaward and Executive Compensation Information • See Certifications
Environmental Protections – Assess and Mitigate Environmental Impact	The National Environmental Protection Act includes policies to conduct reviews to assess and mitigate environmental impact. Applies to construction or major renovation activities. Does not apply to subcontractors.	• National Environmental Policy Act of 1969, as amended (42 USC 4321 *et seq*) • See Certifications
Fair Housing Practices	Related to protecting people from discrimination in housing under federally funded programs.	• Title VIII of the Civil Rights Act of 1968 (42 USC 3601 *et seq*) • See Certifications
Faith-Based Organizations	Related to protections for faith-based organizations to apply and receive Federal funds without discrimination or interference with their mission. Describes limitations on the use of Federal funds.	• Religious Freedom Restoration Act of 1993 (42 USC 2000bb et seq) • Executive Order 13279, Equal Protection of the Laws for Faith-Based and Community Organizations • Executive Order 13559, Fundamental Principles and Policymaking Criteria for Partnerships with Faith-Based and Other Neighborhood Organizations • Executive Order 13831,

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Requirement	Description	Source
		Establishment of a White House Faith and Opportunity Initiative • 28 CFR Part 38, Partnerships with Faith-Based and Other Neighborhood Organizations
Lobbying Disclosures	Related to requirements to disclose lobbying activities.	• Lobbying Disclosure Act of 1995 (2 USC 1601 *et seq*, Disclosure of Lobbying Activity) • See Certifications
Procurement – American-Manufactured Goods	Related to required preferences for certain products and materials made in the US. Waivers may be possible.	• Buy American Act (41 USC 8301 *et seq*) • Build America, Buy America Act • 2 CFR 200.322, Domestic preferences for procurements
Procurement – Fly America Act	Related to requirements for travelers to use certified U.S. airlines for award-funded air travel.	• 49 USC 40118 • 41 CFR 301-10.132 - 142, Use of United States Flag Air Carriers
Procurement – Prohibition on certain telecommunications and video surveillance services or equipment	Related to restrictions on using Federal funds for telecommunications equipment produced by certain companies.	• 41 USC 3901 *et seq* • 2 CFR 200.216, Prohibition on certain telecommunications and video surveillance equipment or services
Protections Against Discrimination	Related to protecting people from discrimination based on different criteria under Federal grants and programs.	• Age Discrimination Act of 1975 (42 USC 6101 *et seq*) • Section 504 of the Rehabilitation Act (29 USC 794) • Title VI of the Civil Rights Act (42 USC 2000d) • Church Amendments (42 USC 300a-7) • Coates-Snowe Amendment (42 USC 238n) • Title IX of the Education Amendments of 1972, as amended (20 USC 1681 *et seq*) • See Certifications
Public Announcements	Disclosure of Federal funding sources in public announcements when issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects	• Division H, Title V, Section 505 of Public Law 116260, Consolidated Appropriations Act, 2021 (pages 441-442)

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Requirement	Description	Source
	or programs funded in whole or in part with Federal money.	
Subaward Reporting	Related to requirements to report certain information on subawards.	• Federal Funding Accountability and Transparency Act of 2006 (FFATA) • 2 CFR Part 170, Reporting Subaward and Executive Compensation Information • See Certifications
Suspension and Debarment	Related to restrictions on issuing Federal awards, subawards, and contracts to certain parties that are debarred, suspended, or otherwise excluded from receiving or participating in Federal awards.	• 2 CFR Part 180, OMB Guidelines to Agencies on Government-Wide Debarment and Suspension (Nonprocurement) • 2 CFR 200.214, Suspension and debarment • Executive Orders 12549 and 12689, Debarment and suspension • See Certifications
Trafficking Victims Protection	Related to bans on providing funds to organizations involved in human trafficking.	• Trafficking Victims Protection Act (TVPA) of 2000, as amended, (22 USC 7104(g)) • 2 CFR Part 175, Award Term for Trafficking in Persons • See Certifications
Violations of Federal Criminal Law and Civil Actions	Related to requirements to disclose certain violations of Federal criminal law.	• False Claims Act (31 USC 3729-3733, False claims and 31 USC 3730, Civil actions for false claims) • Program Fraud and Civil Remedies Act (31 USC 3801 *et seq*) • 2 CFR 200.113, Mandatory disclosures • See Certifications
Wage Protections – Copeland Anti-Kickback Act	Related to protections that require contractors to follow construction, alteration, and renovation and weekly compliance statements on the wages paid to each employee in support of Federal awards.	• Copeland Anti-Kickback Act (18 USC 874 and 40 USC 3145) • 48 CFR 22.403, Copeland Act

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Requirement	Description	Source
Wage Protections – Davis-Bacon Act	Related to protections that require using contractors that pay prevailing wages and benefits under awards that fund construction, alterations, or repairs.	• The Davis-Bacon Act (40 USC 3141 *et seq*)
Whistleblower Protections	Related to protecting employees from reprisal for disclosing information about violations.	• Protection from Reprisal of Disclosure of Certain Information (41 USC 4712) • See Certifications

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SPECIFIC GRANT TERMS FOR
U.S. DEPARTMENT OF EDUCATION AWARDS

ED TERMS AND CONDITIONS

I. ENFORCEMENT PROVISIONS

Termination:

Per the Secretary's authority in 2 CFR 200.340, the Federal award may be terminated in part or its entirety at any point during the award's period of performance. The award may be terminated as follows:

1. By ED, if the recipient fails to comply with the terms and conditions of the award, including all conditions in this document;
2. By ED with the consent of the recipient, in which case the two parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated;
3. By the recipient upon sending to the ED program contact written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if ED determines in the case of partial termination that the reduced or modified portion of the award will not accomplish the purposes for which the award was made, ED may terminate the award in its entirety; or
4. By ED, to the extent authorized by law, if the award no longer effectuates the program goals or agency priorities.

When an award is terminated in part or its entirety, the recipient remains responsible for compliance with the closeout and post-closeout requirements in 2 CFR 200.344 and 2 CFR 200.345. ED will provide the necessary closeout instructions and instructions regarding an appeal of the termination consistent with applicable requirements.

For more information, see the Department Grant Discontinuation and Termination Processes page of the ED website.

II. GRANT TERMS AND CONDITIONS FOR FORMULA GRANT FINANCIAL AND PERFORMANCE REPORTS

Financial and performance reports required for grants awarded by ED, and described in this term and condition, can be accessed on the Grant Application and Other Forms page of the ED website. Government wide reports can be accessed on the Post Award Reporting Forms page of the Grants.gov website.

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PERFORMANCE REPORTS

Final Reports – All Recipients

All Recipients are required to submit a final performance report within 120 days after the expiration or termination of grant support in accordance with submission instructions provided in the Notice of Award (NOA), or through another notification provided by ED (2 CFR 200.329(c)).

Annual, Quarterly, or Semiannual Reports

Your ED program contact will provide you with information about your performance report submissions, including the due date, as a grant term or condition on the NOA, or through another notification provided by ED. The grant term or condition on the NOA, or another notification, may reflect any of the following:

1. That an annual performance report is required, and it shall provide the most current performance and financial expenditure information that is sufficient to meet the reporting requirements in the government-wide requirements located in 2 CFR Part 200. The terms reflected in this document are also consistent with:
   - 2 CFR 200.328, Financial reporting;
   - 2 CFR 200.329, Monitoring and reporting program performance;
   - 2 CFR 200.332, Requirements for pass-through entities; and
   - Applicable reporting requirements stipulated in program statutes or regulations.

2. That an interim performance report is required because of the nature of the award or because of statutory or regulatory provisions governing the program under which this award is made, and that the report is due more frequently than annually as indicated. For example, more frequent reports may be due quarterly and submitted within 30 days after the end of each quarter, or due semiannually and submitted within 30 days after the end of each 6-month period (2 CFR 200.329(c)(1)).

3. That other reports are required. For example, program-specific reports may be required in a program's statute, regulation, or specific conditions of the Federal award (2 CFR 200.208).

FINANCIAL REPORTS – SOME RECIPIENTS

If a financial report is required, your ED program contact will provide you with information about your financial report submission, including the due date, as a grant term or condition on the NOA, or through another notification.

ED uses the government-wide Standard Form (SF) 425, also known as the Federal Financial Report (FFR), for final reporting. Government-wide reports can be accessed on the Post-Award Reporting Forms page of the Grants.gov website.

Financial Report Overview

A SF 425 FFR is required if:

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1. A grant involves cost sharing, and the ED 524B, which collects cost sharing information, is not submitted or a program-specific report approved by OMB does not collect cost sharing information;
2. Program income was earned;
3. Indirect cost information is to be reported, and the ED 524B was not used or a program-specific report approved by OMB does not collect indirect cost information;
4. Program regulations or statute require the submission of the FFR; or
5. Specific Award Conditions, or specific grant or subgrant conditions for designation of "high risk," were imposed in accordance with 2 CFR 200.208 and 2 CFR 3474.10 and required the submission of the FFR.

SUBMISSION TIMELINES

If the FFR is required, the notification may indicate one of the following reporting frequencies and timelines:

1. Quarterly - due within 30 days after each reporting period.
2. Semi-annual - due within 30 days after each reporting period.
3. Annual - due within 30 days after the reporting period.
4. Final - In coordination with the submission of a final performance reports, grantees must submit FFRs no later than 120 calendar days after the conclusion of the period of performance. A subgrantee must submit a final financial report to a pass-through entity no later than 90 calendar days after the conclusion of the period of performance (2 CFR 200.328).

SUBMISSION GUIDANCE

When completing an FFR for submission in accordance with the above referenced selection, the following must be noted:

1. *Multiple Grant Reporting Using SF 425A Not Required:*
   - While the FFR is a government-wide form that is designed for single grant and multiple grant award reporting, ED's policy is that multiple grant award reporting is not permitted for ED grants.
   - Grantees are instructed to not use the FFR attachment (SF 425A), which is available for reporting multiple grants, for reporting on ED grants.

2. *Completing an SF 425 for Each Grant*
   - ED grantees are required to submit an FFR in accordance with any of the above referenced selections.
   - Grantees must complete and submit one FFR for each of its grants.
   - FFR Form, Field 2: Grantees are instructed to disregard the note about using the SF 425A to report multiple grants.
   - FFR Instructions, Report Submissions: With regard to item 1 of the note found in the FFR Instructions, a grantee must complete items 10(a) through 10(o) for each of its grants. The multiple grants and FFR attachment references found in item 2 of the Line Item Instructions for the FFR are not applicable to ED grants.

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3. *Program Income*
    - Unless disallowed by statute or regulation, a grantee will complete item 10(m) or 10(n) in accordance with the options or combination of options as provided in 2 CFR 200.307.
    - A grantee is permitted, in accordance with 2 CFR 200.307, to add program income to its Federal share to further eligible project or program objectives, use program income to finance the non-Federal share of the project or program; and deduct program income from the Federal share of the total project costs.

4. *Indirect Costs*
    - A grantee will complete item 11(a) by listing the indirect cost rate type identified on its indirect cost rate agreement, as approved by its cognizant agency for indirect costs.
    - An ED grantee that does not have an indirect cost rate agreement approved by its cognizant agency for indirect costs, and that is using ED approved (beyond the 90-day temporary period) temporary indirect cost rate of 10% of budgeted direct salaries and wages, or the de minimis rate of 15% of modified total direct cost (MTDC) must list its indirect cost rate in 11(a) as an ED Temporary Rate or De Minimis Rate.
        - The de minimis rate of 15% of MTDC consists of: All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and contracts up to the first $50,000 of each subaward.
        - MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $50,000.
        - Other items, including contract costs in excess of $50,000, may be excluded when necessary to avoid a serious inequity in the distribution of indirect costs (2 CFR 200.1, Modified Total Direct Cost (MTDC)).
    - A restricted program grantee must list its rate as a Restricted Indirect Cost Rate in 11(a).
        - A restricted program (i.e., programs with statutory supplement-not-supplant requirements) grantee must utilize a restricted indirect cost rate negotiated with its cognizant agency for indirect costs, or may elect to utilize a restricted indirect cost rate of 8% MTDC if their negotiated restricted indirect cost rate calculated under 2 CFR 76.564 - 76.569 is not less than 8% MTDC.
        - A State or local government[2] that is a restricted program grantee may not elect to utilize the 8% MTDC rate.
        - Additionally, restricted program grantees may not utilize the de minimis rate but may utilize the temporary rate until a restricted indirect cost rate is

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[2] Note that a State-funded institution of higher education is not considered a "State government" for these purposes; and a Tribal college or university funded by a federally-recognized Tribe is not considered a Tribe for these purposes. [4] Note that a State-funded institution of higher education is not considered a "State government" for these purposes.

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negotiated.
  - If a restricted program grantee elects to utilize the temporary rate, it must list its rate as an ED Temporary Rate in 11(a).
- Grantees with indirect cost rates prescribed in program statute or regulation must list their rate as a Rate Required in Program Statute or Regulation in 11(a).
- Grantees are required to follow program-specific statutory or regulatory requirements that mandate either indirect cost rate type or maximum administrative costs recovery.
- For detailed information including restrictions related to temporary, de minimis, training, restricted, and program prescribed indirect cost rates see the training, restricted, and program prescribed indirect cost rates see the Indirect Cost Division webpage on the ED website.

5. *Supplemental Pages*
   - If grantees need additional space to report financial information, beyond what is available within the FFR, they should provide supplemental pages.
   - Additional pages must indicate the following information at the top of each page:
     - Federal Identifying Number (FAIN),
     - Recipient organization,
     - UEI,
     - Employer Identification Number (EIN), and
     - Period covered by the report.

IV. PARTICIPATION OF FAITH-BASED ORGANIZATIONS

1. A faith-based organization that participates in this program retains its independence from the Government and may continue to carry out its mission consistent with religious freedom and conscience protections in Federal law.

2. A faith-based organization may not use direct Federal financial assistance from ED to support or engage in any explicitly religious activities except when consistent with the Establishment Clause of the First Amendment and any other applicable requirements. Such an organization also may not, in providing services funded by ED, or in outreach activities related to such services, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.

3. If a grantee under a State-Administered Formula Grant program of ED has the authority under the grant or subgrant to select a private organization to provide services supported by direct Federal financial assistance under the program by subgrant, contract, or other agreement, the grantee must ensure compliance with applicable Federal requirements governing contracts, grants, and other agreements with faith-based organizations, including, as applicable, 34 CFR 76.52, 34 CFR 76.532, and 2 CFR 3474.15 (see 34 CFR 76.714).

V. WRITTEN NOTICE OF BENFICIARY PROTECTIONS

In accordance with 34 CFR 76.712, all grantees and subgrantees providing social services

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under an ED program supported by direct Federal financial assistance (e.g., programs that provide employment, independent living, education, or related services to individuals or groups of individuals) must give written notice to a beneficiary or prospective beneficiary of certain protections.

The written notice that an organization uses to notify beneficiaries or prospective beneficiaries of certain religious non-discrimination protections must include language substantially similar to that in Appendix C to 34 CFR Part 75 (See 34 CFR 76.712(d)). Grantees and subgrantees have discretion regarding how to provide the notice, which may include providing the notice directly to each beneficiary, posting it on the grantee's website, or other means. A grantee or subgrantee that participates in multiple ED programs may provide a single notice covering all applicable programs. Additionally, grantees must ensure that the notice is accessible to individuals with disabilities and limited English proficient individuals as required by law. Unless notified by the applicable program office, a grantee or subgrantee is not required to include in the notice the information in paragraph (5) of Appendix C to 34 CFR Part 75 (i.e., the opportunity of a beneficiary to receive information about other similar providers).

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July 10, 2025

Notification to Perkins and AEFLA Grantees and Subgrantees of Updated PRWORA Interpretation of Federal Public Benefits

Dear Perkins V and Adult Education and Family Literacy Act (AEFLA) Grantees and Subgrantees:

The U.S. Department of Education (Department) values the important role that its grantees and subgrantees play in promoting career, technical, and adult education so that students receive the skills necessary to succeed in postsecondary education. On February 19, 2025, the President issued Executive Order 14218, "Ending Taxpayer Subsidization of Open Borders," which is designed to promote the rule of law, ensure that Federal public benefit programs are only provided to U.S. citizens, residents, and certain eligible nonresidents, and prevent spending of American taxpayer dollars on Federal assistance for illegal aliens. The President's Executive Order reinforces the importance of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA, P.L. 104-193), which prohibits illegal aliens and other non-qualified aliens from receiving certain Federal public benefits, including "any… *postsecondary education*… or *any similar benefit* for which payments or assistance are provided to an individual, household, or family eligibility unit…" (emphasis added).

Tomorrow, the Department will publish a Notice of Interpretation regarding PRWORA. The interpretive rule discusses how the Department interprets PRWORA with respect to career and technical education (CTE) programs authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins V), as amended, and adult education programs authorized under Title II (AEFLA) of the Workforce Innovation and Opportunity Act (WIOA) of 2014. While the interpretive rule is not binding on grantees, subgrantees, or the Department, it represents the Department's current interpretation of the law and may be used when taking enforcement actions.

The Department of Education's Interpretation of Postsecondary Education and Other Similar Benefits as Subject to PRWORA

The Department has taken several recent actions to ensure that its interpretation of Federal postsecondary education programs, or those that provide a similar benefit to the

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enumerated Federal public benefits under 8 U.S.C. § 1611(c)(1), are compliant and aligned with the purpose of PRWORA. On July 11, 2025, the Department will issue a Notice of Interpretation rescinding portions of a 1997 Dear Colleague Letter that incorrectly classified certain programs as outside the scope of PRWORA. The Notice of Interpretation clarifies that Federal programs administered by the Department that provide postsecondary education and other similar benefits to an "individual, household, or family eligibility unit," including the vast majority of postsecondary education programs authorized under the Higher Education Act of 1965, as amended; CTE programs under Perkins V; and adult education programs authorized under AEFLA are Federal public benefits subject to the citizenship verification requirements of PRWORA.

Adult Education and CTE Grantee and Subgrantee Responsibilities under PRWORA, Including Citizenship Verification

As grantees and subgrantees engaged in administering Federal public benefits through CTE programs authorized under Perkins V or the adult education programs authorized under AEFLA, your organization may be responsible for ensuring that such programs are in compliance with the citizenship verification requirements of PRWORA. Under PRWORA, states and local government agencies are required to ensure that noneligible illegal aliens do not receive assistance or payments from federally funded programs.

As described within the Department's Notice of Interpretation, this explicit prohibition includes funding to any postsecondary education or other similar benefits funded wholly or in-part, or directly or indirectly conferred by your program(s), including coursework or postsecondary or workforce credentials. If your organization is a grantee, your organization has an obligation to effectively monitor the activities of subgrantees to ensure that funds distributed to said subgrantees are in compliance with current law and that such services and programs are only provided to U.S. citizens and eligible nonresidents, as defined under PRWORA. 8 U.S.C. § 1641(b).

The Department notes that there are existing legal exemptions from verification requirements for nonprofit charitable organizations administering Federal public benefits. Nonprofit charitable organizations that administer Federal public benefits are not required to conduct eligibility verification under 8 U.S.C. § 1642(d). The exemption is narrowly crafted to nonprofit charitable organizations and does not include other entities administering Federal public benefits, including the compliance requirements of states and other grantees that may provide disbursements or subgrants to nonprofit charitable organizations.

The interpretive rule represents the Department's current position on the issue and may be referenced when enforcing or monitoring grantee and subgrantee compliance with PRWORA. The Department may exercise its enforcement discretion to seek to ensure that this citizenship verification is in use across all postsecondary education and other similar

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benefit programs covered under PRWORA, including programs funded under Perkins V and AEFLA. In general, the Department does not have any plans to take enforcement actions against any grantee or subgrantee under PRWORA prior to August 9, 2025.

Next Steps

Moving forward, the Department will work with state and local grantees, as well as subgrantees, to ensure that Federal public benefit usage is limited to U.S. citizens, residents, and certain eligible nonresidents.

While the Department is not requiring grantees to engage in specific verification processes or procedures under this non-binding interpretive rule, grantees that may have existing legal obligations under PRWORA may seek to verify citizenship eligibility using, among other things: (1) the Department of Homeland Security (DHS) Systematic Alien Verification for Entitlements (SAVE) program; (2) review of U.S. birth certificates; (3) review of REAL ID compliant identification cards (ineligible aliens are not able to obtain such IDs); (4) DHS-issued documentation verifying immigration status; or (5) other methods to verify eligibility. Grantees are reminded to inform subgrantees of existing legal obligations under PRWORA.

In the future, the Department may conduct a review of grant opportunities, grantees and subgrantees, and other relevant parties to ensure compliance with the citizenship and eligibility verifications of PRWORA and that limited Federal funding is not being improperly distributed to noneligible individuals or used to support programs and services that serve illegal aliens.

The Department notes that, unless it is required by Departmental regulations, grantees have no affirmative obligation to report on verification to the Department. As an interpretive rule, this guidance is not binding nor does it have an effective date; rather, it informs the public, in addition to relevant stakeholders, of the Department's interpretation of the law. The Department may, but is not required to, exercise its enforcement discretion to refrain from taking actions against grantees in certain circumstances.

The Department looks forward to working with all grantees, subgrantees, and stakeholders in implementing and ensuring compliance with PRWORA, the corresponding provisions of the Notice of Interpretation, and this letter. This effort is necessary to ensure that taxpayer funds are reserved for individuals who have entered our country through legal means and

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uphold the rule of law. Perkins V and AEFLA grantees and subgrantees may submit questions related to the Notice of Interpretation to PRWORA@ed.gov. Thank you for your cooperation in this important matter.

Sincerely,

NICHOLAS MOORE
Digitally signed by NICHOLAS MOORE
Date: 2025.07.10 09:39:33 -04'00'

Nicholas J. Moore
Acting Assistant Secretary for Career, Technical, and Adult Education

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the quality, utility, and clarity of the information to be collected; and (5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology. Please note that written comments received in response to this notice will be considered public records.

Title of Collection: Streamlined Clearance Process for Discretionary Grants.

OMB Control Number: 1894–0001.

Type of Review: Extension without change of a currently approved ICR.

Respondents/Affected Public: State, Local, and Tribal Governments.

Total Estimated Number of Annual Responses: 1.

Total Estimated Number of Annual Burden Hours: 3.

Abstract: Section 3505(a)(2) of the PRA of 1995 provides the OMB Director authority to approve the streamlined clearance process proposed in this information collection request. This information collection request was originally approved by OMB in January of 1997. This information collection streamlines the clearance process for all discretionary grant information collections which do not fit the generic application process. The streamlined clearance process continues to reduce the clearance time for the U.S. Department of Education's (ED's) discretionary grant information collections by two months or 60 days. This is desirable for two major reasons: it would allow ED to provide better customer service to grant applicants and help meet ED's goal for timely awards of discretionary grants. § 3474.20(d) adds the requirement for grantees to develop a dissemination plan for copyrighted work under open licensing. Information contained in the narrative of an application will be captured in the Evidence of Effectiveness Form.

Ross Santy,

Chief Data Officer, Office of Planning, Evaluation and Policy Development.

[FR Doc. 2025–13011 Filed 7–10–25; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF EDUCATION

Clarification of Federal Public Benefits Under the Personal Responsibility and Work Opportunity Reconciliation Act

AGENCY: Office of the Secretary, Department of Education.

ACTION: Interpretive rule.

SUMMARY: The U.S. Department of Education (Department) issues this interpretation to revise and clarify its position on the classification of certain Department programs providing "Federal public benefits," as defined in Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104–193. The Department concludes that the postsecondary education programs and "other similar benefit" programs described within this interpretive rule, including adult education programs authorized under Title II of the Workforce Innovation and Opportunity Act of 2014, postsecondary career and technical education programs under the Carl D. Perkins Career and Technical Education Act of 2006, and other programs when used to fund postsecondary learning opportunities, provide federally funded forms of assistance that constitute "Federal public benefits" subject to PRWORA's citizenship verification requirements. The interpretation also revokes and supersedes certain aspects of the Department's previously issued Dear Colleague Letter (DCL) of November 19, 1997, which mischaracterized these programs as not affected by PRWORA, for the reasons described further within this notice.

DATES: July 11, 2025.

FOR FURTHER INFORMATION CONTACT: Office of Career, Technical, and Adult Education, U.S. Department of Education, 400 Maryland Avenue SW, Washington, DC 20202. Adam Flynn-Tabloff. Email: *adam.flynn-tabloff@ed.gov.*

If you use a telecommunications device for the deaf (TDD) or a text telephone (TTY), call the Federal Relay Service (FRS), toll free, at 1–800–877–8339.

SUPPLEMENTARY INFORMATION:

Full Text of Announcement

On February 19, 2025, President Trump issued Executive Order 14218 (Ending Taxpayer Subsidization of Open Borders), directing agencies, among other actions, to ensure that federally funded programs are operating in compliance with PRWORA. For the reasons described herein, the Department has concluded that Federal programs administered by the Department that provide postsecondary education and other similar benefits, including adult education and career and technical education programs, are "Federal public benefits" subject to the citizenship and immigration verification requirements of PRWORA, so long as such benefits are not protected under *Plyler* v. *Doe*, 457 U.S. 202 (1982) *Plyler* as part of a basic public education.

I. Background

Title IV of PRWORA, as enacted into law as Public Law 104–193 on August 22, 1996, and amended by the Balanced Budget Act of 1997 (Pub. L. 105–33), generally limits eligibility for "Federal public benefits" to U.S. citizens, U.S. non-citizen nationals, and certain categories of "qualified aliens." For programs that provide "Federal public benefit[s]," providers are required to verify eligibility in order to comply with PRWORA. PRWORA defines "qualified alien" to mean "an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is—

(1) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act [8 U.S.C. 1101 *et seq.*];

(2) an alien who is granted asylum under section 208 of such Act [8 U.S.C. 1158];

(3) a refugee who is admitted to the United States under section 207 of such Act [8 U.S.C. 1157];

(4) an alien who is paroled into the United States under section 212(d)(5) of such Act [8 U.S.C. 1182(d)(5)] for a period of at least 1 year;

(5) an alien whose deportation is being withheld under section 243(h) of such Act [8 U.S.C. 1253];

(6) an alien who is granted conditional entry pursuant to section 203(a)(7) of such Act [8 U.S.C. 1153(a)(7)] as in effect prior to April 1, 1980;

(7) an alien who is a Cuban and Haitian entrant (as defined in section 501(e) of the Refugee Education Assistance Act of 1980); or

(8) an individual who lawfully resides in the United States in accordance with a Compact of Free Association." 8 U.S.C. 1641(b).

In other words, "qualified alien" status generally refers to those non-citizens that have a lawful immigration status allowing them to reside in the U.S. indefinitely, as well as immigrants holding specific humanitarian statuses identified by Congress. Under PRWORA, an alien who is not a "qualified alien" is ineligible for payment or assistance of any "Federal public benefit." 8 U.S.C. 1611. Federal public benefits, as defined in 8 U.S.C. 1611(c)(1)(A), include "any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States." PRWORA further defines Federal public benefits to include "any retirement, welfare, health, disability, public or assisted housing,

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postsecondary education, food assistance, unemployment benefit, *or any other similar benefit* for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds of the United States" (emphasis added). 8 U.S.C. 1611(c)(1)(B).

II. Applicability of PRWORA to Department Programs That Provide "Postsecondary Education" and "Other Similar Benefit[s]"

The Department's programs are funded by appropriated funds of the United States and are subject to the restrictions of PRWORA, where such program provides "Federal public benefits" based on the applicable criteria of PRWORA. Specifically, PRWORA applies to "postsecondary education" benefits or "any other similar benefit" under Department programs "for which payments or assistance are provided to an individual, household, or family eligibility unit." Such benefits are "Federal public benefits" within the meaning of PRWORA, unless an exception applies.

On November 19, 1997, the Department issued a DCL interpreting PRWORA to, among other things, not cover benefits under Departmental programs provided at the preschool, elementary, and secondary education level. U.S. Dept. of Edu., PRWORA DCL, (Nov. 19, 1997). In general, the Department's interpretation in the DCL enabled all aliens, regardless of immigration status and including adults, to be eligible to receive educational benefits and assistance provided by the Department so long as such benefits were not provided at the "postsecondary education" level. The Department's 1997 DCL also reasoned that educational programs provided at the preschool, elementary, and secondary level are not "similar" to the programs that Congress enumerated in PRWORA, including "any retirement, welfare, health, disability, public or assisted housing, *postsecondary education*, food assistance, unemployment benefit[.]" (emphasis added). The Department specifically claimed that these programs are dissimilar from "postsecondary education" because those programs "are at a completely different level of education." The Department also asserted that these programs provide "a different form of assistance" than postsecondary education.

The Department finds that the reasoning in the 1997 DCL is flawed because it failed to fully analyze the context and full statutory text of PRWORA, and therefore ultimately misconstrued its meaning. In crafting PRWORA, Congress created an operative definition for "Federal public benefit" under 8 U.S.C. 1611(c), five substantive exceptions under 8 U.S.C. 1611(b)(1)(A)–(E), three rules of non-applicability under 8 U.S.C. 1611(c)(2)(A)–(C), and three rules of statutory construction under 8 U.S.C. 1643 (a)–(c). Each part of this statutory enactment contains interrelated parts, which may provide context when construing one of its parts that may otherwise appear to be ambiguous. *See* A. Scalia & B. Garner, Reading Law, 167 (2012)("Context is the primary determinant of meaning. A legal instrument typically contains interrelated parts that make up the whole. The entirety of the document thus provides the context for each of its parts."); *see also United Savings Ass'n v. Timbers of Inwood Forest Associates*, 484 U.S. 365, 371 (1988) (a statutory "provision that may seem ambiguous in isolation is often clarified by the remainder of the statutory scheme—because the same terminology is used elsewhere in a context that makes its meaning clear, or because only one of the permissible meanings produces a substantive effect that is compatible with the rest of the law.")

In the first instance, the Department looks at the operative definition for "Federal public benefit" under 8 U.S.C. 1611(c). In defining the phrase, Congress included enumerated categories of benefits, including "any retirement, welfare, health, disability, public or assisted housing, *postsecondary education*, food assistance, [or] unemployment benefit," (emphasis added) followed by a broader unenumerated category of benefits that encompasses any "similar benefit[s] for which payments or assistance are provided to an individual, household, or family eligibility unit." To ascertain the meaning of the phrase: "similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit," and whether an unenumerated benefit would fall under that definition, we must analyze the similarity of other benefits to the enumerated list of benefits already included within the definition of a "Federal public benefit."

Here, Congress included a broad and disparate group of benefits within the enumerated list of "Federal public benefits." For example, "food assistance" is a near-term benefit for human subsistence, while retirement benefits are quite different in that they provide for long-term financial stability in old age. The disparate nature of these benefits suggest that Congress intended to capture an expansive array of Federal benefits, within the statutory limit that such benefits be provided through Federal funds, and to "an individual, household, or family eligibility unit."

In contrast, the Department's analysis in the 1997 DCL did not mention any of the enumerated examples in the statute, except "postsecondary education" when construing whether the benefits discussed in that DCL were "similar." In doing so, the Department ignored important statutory clues regarding the proper reading of the statute. Instead, the Department's previous analysis inappropriately manipulated the level of generality of the inquiry to focus on the narrow question of whether "postsecondary education" is similar to education at the "preschool, elementary, and secondary level." This flawed framing led to a flawed result. The conclusion of the 1997 DCL that preschool, elementary, and secondary education are dissimilar from postsecondary education because those programs "are at a completely different level of education" ignores the context of the statute that makes it clear that Congress intended to cover a broader array of other Federal benefits. Indeed, preschool, elementary, and secondary education are similar to postsecondary education in that these benefits provide educational assistance to individuals.

The 1997 DCL also discusses the form in which the benefits are distributed. Specifically, the DCL states that "elementary and secondary 'benefits' are typically made available to public educational agencies through grants that help them supplement their educational programs . . . [while] [p]ostsecondary benefits typically involve financial assistance to individual students." Even if assumed to be true, it would be irrelevant.

The statute discusses the method of delivery required in order to be a "Federal public benefit" and provides that only those benefits "for which payments or assistance are provided to an individual, household, or family eligibility unit" may be construed as a "Federal public benefit." The statute provides for distinct methods of delivery of benefits to include a "payment" *or* "assistance." The word "payment" is derivative of the word "pay," which means "the act of paying or state of being paid." *See Payment*, Webster's II: New Riverside University Dictionary (1994); *Pay*, Webster's II: New Riverside University Dictionary (1994). In other words, for something to be a "payment," money must be exchanged.

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The term "assistance" is defined as "the act of assisting", which is derivative of the word "assist" which means "to aid" or "to give aid or support" to someone or something. *See Assistance*, Webster's II: New Riverside University Dictionary (1994) and *Assist*, Webster's II: New Riverside University Dictionary (1994). The word "assistance" is indeed broader than "payment" and includes at least some actions that do not involve the direct exchange of money.

To further understand the meaning of the word "assistance" within the context of the statute, it is appropriate to consult other parts of the statutory framework. *K Mart Corp.* v. *Cartier, Inc.*, 486 U.S. 281, 291 (1988) ("In ascertaining the plain meaning of the statute, the court must look to the particular statutory language at issue, as well as the language and design of the statute as a whole."). In the list of five substantive exceptions under 8 U.S.C. 1611(b)(1)(A)–(E), we find clues in deciphering any ambiguities in the term "assistance" as applied in this context. In 8 U.S.C. 1611(b)(1)(B) & (D), Congress provided that the prohibition against providing non-qualified aliens with any federal public benefit "shall not apply with respect to the following Federal public benefits:"

"(B) *Short-term, non-cash, in-kind emergency disaster relief* [. . .]

"(D) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) *deliver in-kind services at the community level, including through public or private nonprofit agencies;* (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety."

As the excepted benefits that are enumerated within sub-clause (A) though (E) are specified as otherwise being "Federal public benefits", it is clear that Congress believed these benefits all would have otherwise met that definition. Therefore, in interpreting whether a program provides "other similar benefit(s)", it is instructive to look not just to the enumerated benefits within 8 U.S.C. 1611(c)(1), but also to the exempted Federal public benefits under 8 U.S.C. 1611(b)(1). Here, Congress specified under sub-clause (B) and (D) that there are exemptions from the general alien restrictions of 8 U.S.C. 1611 on certain types of non-cash or in-kind benefits.[1] The exception under sub-clause (D) applies more specifically to in-kind benefits that are delivered "at the community level, including through public or private nonprofit agencies." It would not make sense for Congress to exclude these limited non-cash or in-kind benefits explicitly in 8 U.S.C. 1611(b)(1)(B) & (D) if at least some of those benefits were not ***already captured*** under the operative definition of "Federal public benefit" under 8 U.S.C. 1611(c). Congress would have no need to carve something out that would not otherwise be covered in the first instance under the "Federal public benefit" definition. As such, the general definition of "Federal public benefit" is best understood to include "assistance" similar to the "deliver[y] [of] in-kind services at the community level, including through public or private nonprofit agencies" where such benefits have not been specifically excluded by 8 U.S.C. 1611(b)(1).

The DCL essentially ignored Congress's decision to include Federal public benefits delivered through "assistance," narrowing its analysis not only to Federal public benefits as "payment," but even further still to whether that assistance was similar to "postsecondary [. . .] financial assistance to individual students." The rule against surplusage requires us "to avoid rendering superfluous any statutory language." *Hibbs* v. *Winn*, 542 U.S. 88, 101 (2004). Here, the DCL did not give independent meaning to the word "assistance," improperly rendering it superfluous. Instead, as demonstrated above, Congress clearly contemplated that Federal public benefits could cover assistance provided from entities to "individual[s], household, or family eligibility unit," even when that assistance is provided through an "in-kind" non-money benefit "at the community level, including through public or private nonprofit agencies."

Next, we consider one of the three rules of statutory construction that Congress included under 8 U.S.C. 1643(a)(2) which provides that nothing within [Title IV of the Act] may be construed as "addressing alien eligibility for a basic public education as determined by the Supreme Court of the United States under *Plyler* v. *Doe* (457 U.S. 202) (1982)." In effect, this provision codifies the holding of that case into the statute. Therefore, when construing PRWORA, the Department's interpretation may not otherwise contravene *Plyler*.

Plyler's holding was expressly grounded in the Fourteenth Amendment, as applied to States, and the ability of States to impose unique restrictions on alien eligibility absent "some articulable federal policy[.]" There is nothing in *Plyler*'s holding that addresses the ability of the Federal government to deny benefits (be they educational or other) based on alienage, and expressly noted that "[i]n light of our disposition of the Fourteenth Amendment issue, we have no occasion to reach this claim [of pre-emption by federal law and policy]." The inclusion of 8 U.S.C. 1643(a)(2)'s limitation that PRWORA was not intended to "addres[s] alien eligibility for a basic public education" is thus best understood as instructive toward the other provisions of PRWORA that speak to "State authority to make determinations concerning the eligibility of qualified aliens for public benefits", 8 U.S.C. 1601(7), and the provision of "State or local public benefits" 8 U.S.C. 1621–1625.

A harmonious reading of *Plyler*, 8 U.S.C. 1643(a)(2), and the ability of Congress to regulate the provision of "Federal public benefits" is thus readily apparent. Scalia & Garner, *supra*, at 180 ("The imperative of harmony among provisions is more categorical than most other canons of construction because it is invariably true that intelligent drafters do not contradict themselves.") Indeed, such a harmonious reading is necessary as the text itself of *Plyler*, incorporating its antecedents, specifically noted that "it is the business of the political branches of the Federal Government, rather than that of either the States or the Federal Judiciary, to regulate the conditions of entry and residence of aliens." *Mathews* v. *Diaz*, 426 U.S. 67, 84 (1976).

Furthermore, *Plyler* focused on the unique position of children who have "little control" over their immigration status. In *Plyler*, the Court noted that "it is thus difficult to conceive of a rational justification for penalizing these children for their presence within the United States." The Court's rationale for protecting the ability of minors to attend school stands in contrast to adults who do have the ability to control their actions and movement. Indeed, the Court noted that the "undocumented status" of adults is not "an absolutely immutable characteristic since it is the product of conscious, indeed unlawful, action." As such, the Department does

[1] In-kind is defined as "in the same manner or with something equivalent" Webster's II: New Riverside University Dictionary (1994). In the context of the statute, "in-kind" means some sort of non-cash benefit that provides goods or services directly, rather than providing cash to procure those goods or services.

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not interpret the holding in *Plyler* as conferring any rights to adults. Nor does the holding in *Plyler* reach the question as to whether a minor has the right to postsecondary education (such as a 17-year-old individual who may wish to enroll in postsecondary programs, like dual enrollment) or adult training programs that are not included within a "basic public education".

Therefore, the Department interprets and finds that "Federal public benefits" under 8 U.S.C. 1611(c)(1) includes all educational benefits that are provided to individuals, households, or family eligibility units, regardless of age, and including when benefits are provided as in-kind services at the community level, such as through public or private nonprofit agencies, except those benefits that are basic public education benefits under *Plyler*. In codifying the exceptions under *Plyler*, Congress made clear the term "Federal public benefits" does not cover basic public education benefits that are received by children. At the same time, "Federal education benefits" does include postsecondary education benefits provided regardless of age, as *Plyler* did not address postsecondary benefits and PRWORA explicitly calls for such benefits to be included. 8 U.S.C. 1611(c)(1)(B).

In other words, non-qualified alien adults are not permitted to receive education benefits (postsecondary education benefits or otherwise) and non-qualified alien children are not eligible to receive postsecondary education benefits and certain other education benefits, so long as such benefits are not basic public education benefits. Postsecondary education benefits include dual enrollment and other similar early college programs that provide opportunities to earn college level credits while participating in a secondary education program, because these programs provide individualized payments or assistance beyond that of a basic public education. This interpretation does not apply to specific later in time statutory exceptions, including under 20 U.S.C. 1070e. In sum, this reading of the statute respects the statutory command to adhere to the holding in *Plyler*, while appropriately capturing the statutory directive to include "other similar benefits" within the meaning of a "Federal public benefit" under PRWORA.

Of note, the 1997 DCL cited the Congressional conference report to PRWORA. The DCL claimed that with respect to section 401 of PRWORA, the conference report said that "the intent of the conferees is that Title I, part A of the Elementary and Secondary Education Act would not be affected by section 401 because the benefit is not provided to an individual household or family eligibility unit." [2] Use of legislative committee reports like this is disfavored because these reports do not go undergo the ordinary legislative process of bicameralism and presentment. In other words, Congress did not vote on the conference report, nor should we assume Members of Congress actually read the report. *See, e.g., Blanchard* v. *Bergeron*, 489 U.S. 87, 98–99 (1989) (Scalia, J., concurring) ("As anyone familiar with modern-day drafting of congressional committee reports is well aware, the references to the cases [in the committee report] were inserted, at best by a committee staff member on his or her own initiative, and at worst by a committee staff member at the suggestion of a lawyer-lobbyist . . . What a heady feeling it must be for a young staffer, to know that his or her citation of obscure district court cases can transform them into the law of the land . . ."). As such, the Department declines to consider the non-authoritative conference report from PRWORA when interpreting the statute, as it is unreliable in ascertaining the meaning of the text.

III. Applicability of PRWORA to Specific Department Programs

As it relates to additional programs under the Department's administration, we interpret PRWORA to apply to benefits provided to individuals under programs authorized under Title II of the Workforce Innovation and Opportunity Act of 2014 (WIOA) and career and technical education (CTE) programs authorized under the Carl D. Perkins Career and Technical Education Act of 2006, as amended (Perkins V), as well as benefits provided through postsecondary education programs.

First, it is clear that these programs are all provided through "appropriated funds of the United States" because the Department receives these funds under appropriations laws passed by Congress. *See e.g.*, FY 2025 Full-Year Continuing Appropriations and Extensions Act, Public Law 119–4, § 1101(a)(8) 139 Stat. 9, 11. Second, whether as an enumerated benefit or "other similar benefit," these programs provide "payments or assistance" to "an individual, household, or family eligibility unit[.]"

Under WIOA, the Department administers Title II Adult Education and Literacy Activities, which provides grants to States to support adult education and literacy activities. 29 U.S.C. 3291, 3303. State agencies, in turn, may award grants or enter into contracts with eligible providers who provide adult education and literacy services to eligible individuals. An "eligible individual" is an individual who

(A) who has attained 16 years of age;

(B) who is not enrolled or required to be enrolled in secondary school under State law; and

(C) who—

(i) is basic skills deficient;

(ii) does not have a secondary school diploma or its recognized equivalent, and has not achieved an equivalent level of education; or

(iii) is an English language learner.

The Department interprets Title II WIOA programs to provide "Federal public benefits" because these educational programs: (1) are "similar benefits," within the meaning of 8 U.S.C. 1611(c)(1)(B), because the programs provide educational services to adults and children who lack certain skills or abilities (as discussed in further detail above); (2) are provided on a non-cash and in-kind basis to individuals, and therefore are a form of "assistance [. . .] to an individual" eligibility unit as defined under 8 U.S.C. 1611(c)(1)(B); and (3) are not specifically exempted under PRWORA. As discussed above, the Department interprets PRWORA to apply to adults receiving any form of educational benefits and children receiving educational benefits other than a "basic public education."

The Department interprets Title II WIOA benefits to be distinct from the provision of a "basic public education" by State and local governments under *Plyler* because, among other distinctions, these benefits are provided to individuals in addition to the basic public education already provided by States to minors of compulsory attendance age. Under Title II of WIOA, any minor who had aged out of compulsory secondary school attendance would further have to drop out of the basic public education offered by their State in order to be eligible for Title II WIOA benefits. *Plyler*, in addition to highlighting the compulsory nature of basic public education, did not confer illegal immigrant children aging out of basic public education with the right to drop out of secondary school in favor of alternative educational programs, such as those designed for

[2] The Department does not have specific concerns about how the Congressional conference report is referencing Title I of the Elementary and Secondary Education Act, as such programs generally provide support for states in delivering a basic public education, as protected under *Plyler*. Rather, the Department declines to consider the conference report because it is unreliable in general, and specifically here in how it interprets PRWORA as it relates to the phrase "payments or assistance" under 8 U.S.C. 1611(c)(1)(B).

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adults under WIOA. As such, the Title II WIOA programs provide "Federal public benefits" that are distinct from and are not included within a basic public education under *Plyler*.

Under Perkins V, the Department administers the Basic Grants to States program which is a formula grant for career and technical education to States to support the development and implementation of programs for individuals who are in need of such career and technical education. Congress provided that the purpose of Perkins V, among other things, is to "to develop more fully the academic knowledge and technical and employability skills of secondary education students and postsecondary education students who elect to enroll in career and technical education programs and programs of study." 20 U.S.C. 2301. Although Perkins V does not explicitly create a test for eligibility, it is clear the educational benefits that flow from these programs are designed to benefit students who are *individuals*. Indeed, the very definition of "career and technical education" under Perkins V highlights that CTE is always an *individual* good as it is provided through "a sequence of courses," "competency-based, work-based, or other applied learning" or "career exploration" that can only be received or experienced by an individual for their personal development. 20 U.S.C. 2302(5). Perkins V benefits flow from the Federal government to states, and then to local recipients, who provide educational assistance to individual students in a non-cash in-kind manner.

Perkins V funds programs for individuals both at the secondary and postsecondary levels. 20 U.S.C. 2301. Students may receive Perkins V benefits while enrolled in secondary school. In contrast to Title II WIOA benefits, Perkins V benefits do not require students to drop out or have aged out of secondary school compulsory attendance in order to receive such benefits and are thus provided as part of a "basic public education" in those limited circumstances. As such, these benefits, when provided to minors in the secondary school setting, are basic public education benefits that are protected under *Plyler*.

Therefore, the Department interprets Perkins V programs to provide "Federal public benefits" because these educational programs: (1) are "similar benefits," within the meaning of 8 U.S.C. 1611(c)(1)(B), because the programs provide career and technical educational services to adults and children who lack certain skills or abilities; (2) are provided on a non-cash and in-kind basis to individuals, and therefore are a form of "assistance" as defined under 8 U.S.C. 1611(c)(1)(B); and (3) are not specifically exempted under PRWORA, except that Perkins V programs that support minors in the secondary school setting are basic public education benefits and are not "Federal public benefits." 8 U.S.C. 1643.[3]

IV. Verification

Grantees that may have existing legal obligations under PRWORA may seek to verify eligibility using, among other things: (1) the Department of Homeland Security (DHS) Systematic Alien Verification for Entitlements (SAVE) program;[4] (2) review of U.S. birth certificates; (3) review of REAL ID compliant identification cards (ineligible aliens are not able to obtain such IDs); (4) DHS issued documentation verifying immigration status; or (5) other methods to verify eligibility.

In addition, the Department notes that there are existing legal exemptions from verification requirements for nonprofit charitable organizations administering "Federal public benefits". Nonprofit charitable organizations that administer "Federal public benefits" are not required to conduct eligibility verification under 8 U.S.C. 1642(d). The exemption in 8 U.S.C. 1642(d) is narrowly crafted and does not include other entities administering "Federal public benefits". Accordingly, the Department does not interpret 8 U.S.C. 1642(d) to relieve states or other governmental entities involved in the administration of "Federal public benefits" from the requirements to ensure that all relevant programs are in compliance with PRWORA (even when some or all educational services are ultimately provided by a nonprofit charitable organization). Grantees may, consistent with 2 CFR 200.413(b)–(c) and 2 CFR 200.405(d), charge direct administrative costs associated with verification as an allocable benefit that can be reasonably documented toward each grant award.

Unless required by Departmental regulations, grantees have no affirmative obligation to report on verification to the Department. Because this interpretative rule is not legislative, the Department lacks the ability to require affirmative reporting.

Interpretive rules cannot have effective dates. Rather, this interpretive rule informs the public of the Department's interpretation of the law. See *Guedes* v. *Bureau of Alcohol, Tobacco, Firearms & Explosives*, 920 F.3d 1, 20 (D.C. Cir. 2019) (holding that an interpretive rule cannot have an effective date and is instead an interpretation of how the law should be interpreted, past and present). The Department may, but is not required to, exercise its enforcement discretion to refrain from taking actions against grantees in certain circumstances.

V. Conclusion

This interpretive rule finds that Federal programs administered by the Department that provide postsecondary education and other similar benefits, including adult education and CTE programs, are "Federal public benefits" subject to the citizenship and immigration verification requirements of PRWORA, so long as such benefits are not protected under *Plyler* as part of a basic public education. This interpretation of adult education and covered CTE programs as providing "Federal public benefits" also includes programs that provide dual enrollment and other similar early college programs that go beyond providing a basic public education to prepare students for credit accumulation, degree attainment, or to enter the workforce. Therefore, entities administrating these programs may consider this interpretation when taking action to comply with PRWORA. This interpretation represents the Department's current position on the issue and may be referenced when enforcing or monitoring grantee and subgrantee compliance with PRWORA.

Accessible Format: On request to the program contact listed under FOR FURTHER INFORMATION CONTACT, individuals with disabilities can obtain this document in an accessible format. The Department will provide the requestor with an accessible format that may include Rich Text Format (RTF) or text format (txt), a thumb drive, an MP3 file, braille, large print, audiotape, or compact disc, or other accessible format.

Electronic Access to This Document: The official version of this document is the document published in the **Federal Register**. You may access the official

[3] In this interpretive rule, the Department announces how it interprets PRWORA with respect to certain Department programs; however, just because a program is not specifically mentioned herein does not mean the program does not have obligations under PRWORA. The Department may, but is not required to, exercise its enforcement discretion to refrain from taking actions against grantees in certain circumstances, such as for programs not mentioned in this interpretive rule.

[4] Effective April 1, 2025, the Department of Homeland Security has eliminated the transaction charge for using SAVE for all state, local, tribal, and territorial government agencies. See U.S. Dep't of Homeland Sec., Save Transaction Charges (last accessed June 25, 2025), *https://www.uscis.gov/save/about-save/transaction-charges*.

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edition of the Federal Register and the Code of Federal Regulations at *www.govinfo.gov*. At this site you can view this document, as well as all other documents of this Department published in the Federal Register, in text or Portable Document Format (PDF). To use PDF, you must have Adobe Acrobat Reader, which is available free at the site.

You may also access documents of the Department published in the Federal Register by using the article search feature at *www.federalregister.gov*. Specifically, through the advanced search feature at this site, you can limit your search to documents published by the Department.

Signing Authority

This document of the U.S. Department of Education was signed on July 8, 2025, by Linda E. McMahon, Secretary of Education. That document with the original signature and date is maintained by the U.S. Department of Education. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned has been authorized to sign the document in electronic format for publication, as an official document of the U.S. Department of Education. This administrative process in no way alters the legal effect of this document upon publication in the Federal Register.

Sharon Cooke,

Associate Director, Office of the Executive Secretariat, Office of the Secretary, U.S. Department of Education.

[FR Doc. 2025–12925 Filed 7–10–25; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF ENERGY

[GDO Docket No. EA–524]

Application for Authorization To Export Electric Energy; DRW Energy Trading LLC

AGENCY: Grid Deployment Office, U.S. Department of Energy.

ACTION: Notice of application.

SUMMARY: DRW Energy Trading LLC (the Applicant or DRW Energy) has applied for authorization to transmit electric energy from the United States to Canada pursuant to the Federal Power Act.

DATES: Comments, protests, or motions to intervene must be submitted on or before August 11, 2025.

ADDRESSES: Comments, protests, motions to intervene, or requests for more information should be addressed by electronic mail to *Electricity.Exports@hq.doe.gov*.

FOR FURTHER INFORMATION CONTACT: Janessa Zucchetto, (240) 474–8226, *Electricity.Exports@hq.doe.gov*.

SUPPLEMENTARY INFORMATION: The United States Department of Energy (DOE) regulates electricity exports from the United States to foreign countries in accordance with section 202(e) of the Federal Power Act (FPA) (16 U.S.C. 824a(e)) and regulations thereunder (10 CFR 205.300 *et seq.*). Sections 301(b) and 402(f) of the DOE Organization Act (42 U.S.C. 7151(b) and 7172(f)) transferred this regulatory authority, previously exercised by the now-defunct Federal Power Commission, to DOE.

Section 202(e) of the FPA provides that an entity which seeks to export electricity must obtain an order from DOE authorizing that export (16 U.S.C. 824a(e)). On April 10, 2023, the authority to issue such orders was delegated to the DOE's Grid Deployment Office (GDO) under Redelegation Order No. S3–DEL–GD1–2023.

On May 6, 2025, DRW Energy filed an application (Application or App.) for authorization to transmit electric energy from the United States to Canada for a term of ten years. App. at 1.

According to the Application, DRW Energy is a power marketer with its principal place of business in Houston, Texas. *Id.* at 1. The Applicant states that it is "the wholly owned subsidiary of DRW Holdings, LLC." *Id.* DRW Energy represents that "The Federal Energy Regulatory Commission (FERC) has granted [it] authority to sell wholesale power at market-based rates under a market-based rate tariff." *Id.* at 1–2 & Exhibit G.

DRW Energy represents that it will purchase "power to be exported from a variety of sources, including but not limited to, power marketers, independent power producers, or U.S. electric utilities and federal power marketing entities." App. at 2. The Applicant thus asserts that because this power is surplus to the system of the generator, its proposed exports "will not impair the sufficiency of the electric power supply within the United States." *Id.*

DRW Energy further asserts that its proposed exports will not impair or tend to impede the sufficiency of electric supplies in the U.S. or the regional coordination of electric utility planning or operations. App. at 3. The Applicant states that it "will make all necessary commercial arrangements and will obtain any other required regulatory approvals to schedule and deliver its power exports." *Id.* The Applicant states that the electricity it plans to export "will be transmitted under arrangements with utilities that own and operate existing transmission facilities, consistent with the export limitations and other terms and conditions contained in existing Presidential Permits and electricity export authorizations associated with these transmission facilities." *Id.* The Applicant further states it will schedule transactions in compliance with reliability standards and guidelines established by the North American Reliability Corporation. *Id.*

The existing international transmission facilities to be utilized by the Applicant have been previously authorized by Presidential permits issued pursuant to Executive Order 10485, as amended, and are appropriate for open access transmission by third parties. *See* App. at Exhibit C.

Procedural Matters: Any person desiring to be heard in this proceeding should file a comment or protest to the Application at *Electricity.Exports@hq.doe.gov*. Protests should be filed in accordance with Rule 211 of FERC's Rules of Practice and Procedure (18 CFR 385.211). Any person desiring to become a party to this proceeding should file a motion to intervene at *Electricity.Exports@hq.doe.gov* in accordance with FERC Rule 214 (18 CFR 385.214).

Comments and other filings concerning DRW Energy's Application should be clearly marked with GDO Docket No. EA–524. Additional copies are to be provided directly to Michael J. Lowell, Esq., Reed Smith LLP, 1301 K Street, NW, Suite 1000—East Tower, Washington, DC 20005, *mlowell@reedsmith.com;* Jon Hoff, DRW Energy Trading LLC, 1500 Post Oak Blvd., Suite 1625, Houston, TX 77056, *jhoff@drwholdings.com*.

A final decision will be made on the requested authorization after the environmental impacts have been evaluated pursuant to DOE's National Environmental Policy Act Implementing Procedures (10 CFR part 1021) and after DOE evaluates whether the proposed action will have an adverse impact on the sufficiency of supply or reliability of the United States electric power supply system.

Copies of this Application will be made available, upon request, by accessing the program website at *https://www.energy.gov/gdo/pending-applications-0* or by emailing *Electricity.Exports@hq.doe.gov*.

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UNITED STATES DEPARTMENT OF EDUCATION

THE UNDER SECRETARY

September 29, 2025

SUBJECT: Reminder Regarding Prohibited Use of Federal Grants Funds for Lobbying and Allowable Membership Costs.

SUMMARY: This document provides guidance clarifying the longstanding statutory and regulatory prohibitions on the use of federal grant funds for lobbying, including membership dues that support lobbying activity, and reminds grantees of their responsibilities under applicable law and regulations.

Dear Colleague:

We are writing to remind you of the legal restrictions on using federal grant funds for lobbying activities. Although grantees may belong to professional or trade organizations, including national associations that support students and institutions participating in federal grant programs, the use of federal grant dollars to engage in or subsidize lobbying remains strictly prohibited.

<u>Statutory and Regulatory Background</u>

Section 1352 of Title 31 of the United States Code prohibits recipients of federal grants, loans, or cooperative agreements from using federally appropriated funds to pay any person for influencing or attempting to influence any officer or employee of an agency, a Member of Congress, or congressional staff in connection with the awarding, extension, continuation, renewal, amendment, or modification of a federal grant. This prohibition applies to both direct lobbying by the recipient and indirect support through payments to third parties.

In addition, under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly referred to as the Uniform Guidance), lobbying costs are unallowable charges to a federal award. Specifically, 2 C.F.R. § 200.450 prohibits the use of grant funds for lobbying activities, including influencing activities associated with obtaining grants or attempting to influence, either directly or indirectly, an employee or officer of the executive branch of the Federal Government to give consideration or to act regarding a Federal award or a regulatory matter.

Further, 2 C.F.R. § 200.450(c) applies additional restrictions to nonprofit organizations and institutions of higher education (IHEs). Those additional restrictions include prohibiting any costs associated with attempting to influence federal or state legislation, establishing, administering, contributing to any organization to influence the outcomes of elections in the United States, or engaging in legislative liaison activities.

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Although 2 C.F.R. § 200.454(a) allows the use of federal funds for membership in business, technical, and professional organizations, that allowance does not extend to organizations whose primary purpose is lobbying (*see* § 200.454(e)). Nor does it allow payment of dues to any organization that fails to segregate lobbying from non-lobbying costs. It is the responsibility of the grantee to ensure that any membership fee funds are not used for lobbying, even when the membership organization's primary purpose is not lobbying. As with all costs, including membership costs in business, technical, and professional organizations, those costs must be reasonable and necessary to the performance of the grant (*see* the cost principles in 2 C.F.R. Part 200 Subpart E).

Grantee Responsibilities

As grantees, you are responsible for ensuring that your use of federal funds complies with applicable federal statutes and regulations. This includes:

- Ensuring no federal grant dollars are used directly or indirectly to pay for lobbying efforts;
- A presumption that membership fee amounts tied to a percentage of a federal grant are unallowable;
- Maintaining adequate documentation to demonstrate compliance to ensure that membership fees are not used on lobbying and are reasonable and necessary; and
- Avoiding payment of dues to organizations that cannot or do not report the proportion of their activities that are dedicated to lobbying.

Although membership in certain organizations may be allowable in limited circumstances, federal grant funds may not be used to subsidize any portion of dues that support legislative advocacy or lobbying. Grantees are responsible for requesting appropriate breakdowns of dues and ensuring compliance with 31 U.S.C. § 1352, 2 C.F.R. §§ 200.454 and 200.450, and all other applicable law related to lobbying.

Consequences for Noncompliance

Failure to comply with these provisions may result in disallowed costs, audit findings, program reviews, and additional oversight or enforcement actions by the Department up to the termination of your grant. Additionally, violations may lead to civil penalties, including fines and the potential suspension or debarment of grantees or individuals. Grantees should consult with their legal and compliance teams to review current expenditures and ensure they align with these existing federal requirements.

Disclaimer

As with any "Dear Colleague" letter and guidance document, the contents of this document do not have the force and effect of law and are not meant to bind the public or the Department. This document is intended only to provide clarity to the public regarding existing requirements under the law and regulations.

Initials

Date 7-27-26

Sincerely,

Nicholas Kent

Nicholas Kent
Under Secretary

Initials C

Date 7-27-26

Caitlin D. Davis
Commissioner

Richard K. Sala
Deputy Commissioner

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

GRANT SUBAWARD NOTIFICATION

1	**Primary Award to/by** Grant Program Name: Amount of State Award:	NH Department of Education by State of New Hampshire **Adult Education & Literacy Activities - State** **$2,480,400.00**
	SUBAWARD	
2	Recipient Name, LEA ID, SAU, District and UEI:	Southern New Hampshire Services UEI# HLNJBCYDGVM3
3	Initial Award Date: Action Number & Type: Date of this Action:	Award to Commence upon Governor and Council Approval 1. Preliminary Award Date Assigned Upon Governor and Council Approval
4	Subaward Type: Project Description:	Competitive Grant Adult Education and Literacy
5	Award Period:	Period to complete activities & expend funds: 7/1/2026 - 6/30/2027 (See Block 11) Local period for Local Educational Agencies (LEAs) to complete activities and obligate/expend funds for this Adult Education and Literacy state grant: July 1, 2026 - June 30, 2027. Local period for each non-profit subrecipient (Reporting Authority [RA]) to complete activities and obligate/expend funds for this Adult Education and Literacy state grant will begin upon approval by Governor and Council of the RA's Grant Agreement through June 30, 2027. Period to request reimbursement of expended funds: 7/1/2026 - 8/15/2027.
6	Contacts:	Sub-Recipient: **LEA Superintendent/RA Executive Director and Project Director** NHED Program Administrator: Chrissy Vander Hook 603-931-0535 Chrissy.S.Vanderhook@doe.nh.gov Grants Management System Contact Courtney Frederick 603-271-6698 Courtney.L.Frederick@doe.nh.gov
7	Subaward Amount:	Grant Type: Formula Grant Previous Award Amount: 0.00 Net Change of Award Amount: $91,434.85 Updated Award Amount: $91,434.85
8	Laws, Regulations and Requirements:	RSA 186:62 Establishment of Other Adult Education Programs RSA 186:63 Funding of Educational Programs Ed 703 Adult Basic Education Program
9	Maximum Allowed Indirect Cost Rate:	NA
10	Additional State Conditions:	Funds provided by the State of New Hampshire under this grant award must provide Adult Education and Literacy services to eligible individuals as defined under Title II of the Workforce Innovation and Opportunity Act (WIOA) also known as the Adult Education and Family Literacy Act (AEFLA). These funds are provided as part of the State's Maintenance of Effort to support AEFLA programs alongside federal AEFLA grant funds.

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GRANT SUBAWARD NOTIFICATION (Continued)

11	Additional NHED Conditions:	Subrecipients shall be reimbursed for allowable and documented costs when they are incurred. No advance payments will be made. Reimbursement is not guaranteed unless NHED has approved the activity. Acceptance of this award and its related terms and conditions, is acknowledged by the grantee when reimbursement of funds is requested through the NHED Grants Management System by the grantee.
12	Access to Records and Monitoring Requirements:	NHED shall have the right of access to any documents, papers, or other records of the subrecipient which are pertinent to this subaward, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the subrecipient's personnel for the purpose of interview and discussion related to such documents. In addition to reviews of audits, subrecipient agrees to on-site visits by NHED staff, limited scope audits, and/or other procedures. Subrecipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the NHED. In the event the NHED determines that a limited scope audit of the subrecipient is appropriate, the subrecipient agrees to comply with any additional instructions provided by NHED staff to the subrecipient regarding such audit.
13	Project Closeout Requirements:	The subrecipient shall permit the NHED access to records and financial statements as necessary for audits and monitoring during the records retention period for three years after the completion of the subaward in accordance with 2 CFR 200.334.
14	Attachments	

Caitlin D Davis

Signature of Authorizing Official
Caitlin D. Davis
New Hampshire Commissioner of Education

Dependent upon Governor and Council Approval
Date

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EXPLANATION OF BLOCKS ON THIS SUBAWARD GRANT AWARD NOTIFICATION (GAN)

1. The Primary Award block identifies: the agency making the primary award and the signature date on the initial grant primary award to NH Department of Education (NHED). As a pass-through agency, NHED is authorized to make and manage sub-awards.

2. Subaward Recipient: Legal name, physical address and UEI of the subrecipient. For large entities, the organizational unit with primary responsibility for funded activity may be identified. For subawards to multiple New Hampshire local education agencies (LEAs), an attachment showing LEA name, unique entity identifier (UEI), and subaward amount may be used. UEI shown have been provided by the subrecipient. NHED is not responsible for the correctness of UEI information.

3. Action Number: The cumulative number of steps (including this action) taken by NHED to-date to establish or modify this sub-award. Action number "01" indicates an Initial (i.e. new) Award.
   Action Type: The nature of the action (e.g. New Award, Continuation, Amount Modification, Performance Period Change, etc).
   Date of this Action: Effective date of action.

4. Subaward Type: Most subawards are categorical formula grants. Other types include project grants (generally a one-time grant for a specific purpose), block grants (which allow greater spending discretion), and research and development (R&D) grants.
   Project Description: Very brief description of the grant program.

5. Award Period: Date ranges for expending grant funds and requesting reimbursement. Included are any other time-sensitive conditions such as carry-over options and award periods for multi-year grants (3+ years).

6. Contacts: The subrecipient contact (identified by name or position) responsible for the grant administration. At least one NHED program contact is identified.

7. Subaward Amount: A subaward may have subsequent modifications that increase or decrease the amount of an award. "Award of this Action" indicates the amount of this action. A dollar amount indicates an increase. "Decrease of $xxx" or " ($xxx) " indicates a reduction in the award. "None" indicates no change in the amount. Previous Cumulative and Current Cumulative amounts are used to reconcile any change. If awards for a list of LEAs are being modified, this block will show the total net increase/decrease and an attachment will show individual subrecipient changes.

8. Laws, Regulations and Requirements: 2 CFR Part 200 applies to all federal awards. 34 CFR 76 applies to all USDE awards, although certain programs may be exempt from some sections. State of New Hampshire Statutes and Administrative Rules pertinent to state grant awards are specifically noted. Program specific requirements or 34 CFR 76 exemptions are listed. Web link to laws, regulations or guidance may be included. Non-program http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html

9. Maximum Allowed Indirect Cost Rate: Identifies rate type - restricted, unrestricted, temporary, or de minimus; and cognizant authority (usually a federal agency) that approved the rate. When the program prohibits supplanting of non-federal funds, a restricted indirect cost rate with a cap of 8% must be used. (See 34 CRF 76.560-580.) For restricted rate programs, the 10% de minimus rate option does not apply to state and local governments or their sub-recipients. LEAs and SAUs rates may be included as an attachment.

   Indirect cost rate is a federal construct that does not apply to state-funded grant awards.

10. Additional Federal Conditions: Federal requirements of the award that are binding upon the sub-recipient.

11. Additional NHED Conditions: Requirements imposed on the award by the NHED as the pass-through entity that are binding upon the sub-recipient.

12. Access to Records and Monitoring Requirements: This requirement allows the NHED, as the pass-through entity, and auditors to have access to the sub-recipient's records and financial statements as necessary to meet the NHED's responsibilities.

13. Project Closeout Requirements: Activities that are required by either the terms of the award or as required by the NHED and are binding upon the sub-recipient.

14. Attachments: Provide the sub-recipient with any attachments required by either the federal agency making the primary award or NHED.

Signature of Authorizing Official – This sub-award is binding only when signed and dated by a State of New Hampshire official authorized to award funds for this federal program.

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New Hampshire
Department of Education

New Hampshire Department of Education School Year 2026-2027

GRANT PROGRAM ASSURANCES DOCUMENT

The following are the 2026-2027 school year (SY) New Hampshire Department of Education (NHED) **Program Assurances** for the following federal formula/competition grants:

- Title II of WIOA (AEFLA), Adult Education and Literacy Programs
- Title II of WIOA (AEFLA), Integrated English Language and Civics Education Programs

Subrecipients must submit a signed copy of the Program Assurances to the NHED prior to receiving federal funds for grants awarded under Title II Workforce Innovation and Opportunity Act (the Adult Education and Family Literacy Act, AEFLA). By signing the Program Assurances, the subrecipient assures that it will accept and administer the funds in accordance with all applicable Federal and State statutes and regulations. Program Assurances shall be provided as part of the 2026-2027 AEFLA Applications within the Grants Management System (GMS) by uploading this fully executed document to the LEA Homepage in GMS. Failure to upload a fully executed copy of this document will result in the withholding of funds until such time as the executed document is uploaded and verified. Incomplete documents will be returned for revision but must be received **no later than September 1, 2026,** for a subrecipient to receive a subaward.

Attached is **Appendix A** which outlines the items removed from prior years "Grant Program Assurances Document." Please note that while these items were removed because they do not require the subrecipient to provide assurance, they are still required per legislation to which the subrecipient must adhere.

Lastly, the language within this document has been updated to reflect a broad array of subrecipients. Eligible subrecipients of AEFLA are defined by statute as one of the following: a local educational agency; a community-based organization or faith-based organization; a volunteer literacy organization; an institution of higher education; a public or private nonprofit agency; a library; a public housing authority; a nonprofit institution that is not described in any of the preceding list and has the ability to provide adult education and literacy activities to eligible individuals; a consortium or coalition of the agencies, organizations, institutions, libraries, or authorities described in the preceding list; and a partnership between an employer and an entity described in the preceding list. The subrecipient's authorized official is the top executive in the organization that makes decisions on spending, staffing, and policies.

Superintendent/Executive Officer Contact Information:

Subrecipient Name:	Southern NH Services, Inc. dba Community Action Partnership Hillsborough and Rockingham Counties
Subrecipient Authorized Official Name:	Ryan Clouthier
Subrecipient Authorized Official Title:	Chief Executive Officer
Subrecipient Authorized Official Phone:	(603) 668-8010
Subrecipient Authorized Official Email:	rclouthier@caphr.org

The Subrecipient's Authorized Official must review and sign each section. Once the document is fully executed it needs to be uploaded to the GMS LEA Homepage as part of the AEFLA Grant Process no later than September 1, 2026. The NHED will review and subsequently approve/return these assurances if not fully executed. **Subawards will not be awarded until the subrecipient has a fully executed and approved Program Assurances and General Assurances document on file with NHED (inclusive of these Assurances).**

At the end of this document, are the General Education Provisions Act (GEPA) Section 427 which requires each subrecipient applying for federal funds to include a description of the steps the subrecipient proposes to ensure equitable access to and participation in its federally assisted programs for students, teachers, and other program beneficiaries with special needs. The statute highlights six types of barriers that can impede equitable access or participation: gender, race, national origin, color, disability, or age. Determine needs based on whether these or other barriers may prevent students, teachers, or other staff from such access to, or participation in, the federally funded projects or activities.

Each subrecipient accepting federal grants must provide a description of how it will ensure equitable access for students and teachers to participate in federally assisted programs. Please provide a clear and succinct description of how the subrecipient plans to address the barriers that are applicable to the subrecipients needs.

Program Assurances are reviewed and signed by the Subrecipient Authorized Official, indicating agreement with the laws and regulations specific to a grant type. The assurances below are not all-inclusive as to the entire scope of requirements for the subrecipient. Subrecipient Authorized Officials are responsible for understanding all requirements of the grants.

Process

Each subrecipient must fully execute these assurances by;

1. The Subrecipient Authorized Official reviews the assurances for each federal program in which the subrecipient is participating and consults with the School Board/Board of Trustees/Directors about the assurances.
2. The Subrecipient Authorized Official signs and dates the bottom of the Program Assurance document.
3. **All** Subrecipient Authorized Official's must complete the GEPA section.
4. **Local Educational Agency (LEA) subrecipients**: upload the document in its entirety to the LEA 2026-2027 homepage in the Grants Management System (GMS).
5. **Reporting Authority (RA) subrecipients**: if in GMS, upload the document in its entirety to the RA 2026-2027 homepage in GMS.
6. **Other subrecipients (not in GMS)**: return this document to the appropriate Federal Program Manager via email. AEFLA subrecipients not in GMS shall submit documentation to adulteducation@doe.nh.gov.

Section A: <u>Assurances for Title II of WIOA (AEFLA), All Adult Education and Literacy Programs</u>

All Sections cited are from the Workforce Innovation and Opportunity Act (WIOA), unless otherwise noted. Title II of WIOA is entitled the Adult Education and Family Literacy Act (AEFLA), which further defines the requirements of grants funded under WIOA by the New Hampshire Department of Education's Bureau of Career Development.

The subrecipient hereby assures the New Hampshire Department of Education (NHED) that pursuant to the requirements in WIOA and AEFLA the subrecipient will:

A-1 PROGRAM RESPONSIVENESS TO REGIONAL NEED

The subrecipient must be responsive to regional needs as identified in the State Workforce and Innovation Board's (SWIB) combined state plan and serve individuals in the community who are identified in the SWIB combined state plan as most in need of adult education and literacy activities, including individuals—

Who have low levels of literacy skills; or
Who are English language learners (Sec. 231(e)(1)).

A-2 SERVING THE MOST IN NEED

The subrecipient is responsible for serving eligible individuals with disabilities, including eligible individuals with learning disabilities (Sec. 231(e)(2)).

The subrecipient must demonstrate effectiveness in improving the literacy of eligible individuals, to meet State-adjusted levels of performance for the primary indicators of performance described in the WIOA Performance Accountability System, especially with respect to eligible individuals who have low levels of literacy (Sec. 231(e)(3)).

The subrecipient must identify whether the region has a demonstrated need for additional English language acquisition and civics education programs (Sec. 231 (e)(13)).

The subrecipient must promote concurrent enrollment in programs and activities under the Partner Programs of the Workforce Innovation and Opportunity Act Combined State Plan (Sec. 232(3)).

The subrecipient is responsible for serving the needs of *eligible individuals* including those with barriers to employment including displaced homemakers, low-income individuals, ex-offenders, and others (Sec. 232(6)).

Eligible Individual is defined as an individual who (A) has attained 16 years of age; (B) is not enrolled or required to be enrolled in secondary school under State law; and (C) is (i) is basic skills deficient, (ii) does not have a secondary school diploma or its recognized equivalent, and has not achieved an equivalent level of education; or (iii) is an English language learner (Sec. 203(4)).

A-3 SERVICE DELIVERY FORMAT AND SCHEDULES

Subrecipients must use technology, services, and delivery systems, including distance education in a manner sufficient to increase the amount and quality of learning and demonstrate how such technology, services, and systems lead to improved performance (Sec. 231(e)(7)).

The subrecipient must offer flexible schedules and coordination with Federal, State, and local support services (such as childcare, transportation, mental health services, and career planning) that are necessary to enable individuals, including individuals with disabilities or other special needs, to attend and complete programs (Sec. 231(e)(11)).

The subrecipient must participate in cooperative arrangements with other agencies, institutions, or organizations for the delivery of adult education and literacy activities (Sec. 232(2)).

A-4 INSTRUCTION

Program must be of sufficient intensity and quality, and based on the most rigorous research available, so that participants achieve substantial learning gains; and use instructional practices that include the essential components of reading instruction (Sec. 231(e)(5)).

Reading, writing, speaking, mathematics, and English language acquisition instruction delivered by the eligible provider, are to be based on the best practices derived from the most rigorous research available and appropriate, including scientifically valid research and effective educational practice (Sec. 231(e)(6)).

The subrecipient must provide contextualized instruction that includes the use of occupationally relevant materials, so that an individual acquires the skills needed to transition to and complete postsecondary education and training programs, obtain and advance in employment leading to economic self-sufficiency, and to exercise the rights and responsibilities of citizenship (Sec. 231(e)(8)).

Program activities must be delivered by well-trained instructors, counselors, and administrators who meet any minimum qualifications established by the State, where applicable, and who have access to high quality professional development, including through electronic means (Sec. 231(e)(9)).

Program activities must coordinate with other available education, training, and social service resources in the community, such as by establishing strong links with elementary schools and secondary schools, postsecondary educational institutions, institutions of higher education, local workforce investment boards, one-stop centers, job training programs, and social service agencies, business, industry, labor organizations, community-based organizations, nonprofit organizations, and intermediaries, for the development of career pathways (Sec. 231(e)(10)).

A-5 ALIGNMENT WITH STATE WORKFORCE PLAN

The subrecipient is required to align its program and activities with the strategy and goals of the NH Works Combined State Workforce Plan and contribute to the strategies outlined in the Plan including the use of data to inform program decisions and improve program performance (Sec. 231(e)(4)).

The subrecipient must work to meet the State-adjusted levels of performance described in the NH Works Combined State Plan, and will collect data to report on such performance indicators (Sec. 232(4)).

The subrecipient is required to coordinate with other local NH Works partners including participation or representation in partner meetings; establishing referral procedures; ensuring direct access to adult education services; and contributing to the development of career pathways (Sec. 232(5)).

A-6 INTEGRATED EDUCATION AND TRAINING

Subrecipients that choose to provide Integrated Education and Training activities must provide adult education and literacy activities concurrently and contextually with *workforce preparation activities* and workforce training for a specific occupation or occupational cluster for the purpose of educational and career advancement (Sec. 203 (11)).

> *Workforce Preparation Activities* are activities, programs, or services designed to help an individual acquire a combination of basic academic skills, critical thinking skills, digital literacy skills, and self-management skills, including competencies in utilizing resources, using information, working with others, understanding systems, and obtaining skills necessary for successful transition into and completion of postsecondary education or training, or employment (Sec. 203 (17)).

A-7 INFORMATION MANAGEMENT

Subrecipient must maintain a high-quality information management system that has the capacity to report measurable participant outcomes (consistent with the Performance Accountability System described in section 116 of WIOA) and to monitor program performance (Sec. 231(e)(12)).

> Subrecipients must request social security numbers, in accordance with 5 U.S.C. § 552a, for all participants over the age of 18, and will aid students, who do not possess a social security number, in applying for a social security number. Students who fail to provide a social security number will be indicated in the data system in order to assist with National Reporting System (NRS) for Adult Education requirements such as student outcome follow and data matching purposes for federal Workforce Innovation and Opportunity Act employment measures (New Hampshire's WIOA Combined State Plan).

Per Sec. 116(b)(2)(A), the Primary Indicators of Performance for AEFLA subrecipients consist of:

1. the percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program;
2. the percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program;
3. the median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program;
4. the percentage of program participants who obtain a recognized postsecondary credential, or a secondary school diploma or its recognized equivalent (subject to clause (iii of WIOA Sec. 116)), during participation in or within 1 year after exit from the program;
5. the percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains toward such a credential or employment; and
6. the indicators of effectiveness in serving employers established pursuant to clause (iv).

Subrecipients must follow the National Reporting System (NRS)-approved state assessment and data collection policy.

A-8 FUNDING USES

Subrecipients must use AEFLA grant funds to establish or operate programs that provide adult education and literacy activities, including programs that provide such activities concurrently (Sec. 231(b)).

> *Adult Education and Literacy Activities* means programs, activities, and services that include adult education, literacy, workplace adult education and literacy activities, family literacy activities, English language acquisition activities, integrated English literacy and civics education, workforce preparation activities, or integrated education and training (Sec. 203(2)).

Funds provided under AEFLA must be spent consistent with the requirements within AEFLA (Sec. 232 (1)).

A-9 LOCAL ADMINISTRATIVE COST LIMITATIONS (Sec. 233)

(1) Not less than 95 percent shall be expended for carrying out adult education and literacy activities; and

(2) The remaining amount, not to exceed 5 percent, shall be used for planning, administration (including carrying out the requirements of the performance accountability system - LACES), Professional development, and the activities described in paragraphs (3) and (5) of section 232.

SPECIAL RULE. In cases where the cost limits described in subsection (a) are too restrictive to allow for the activities described in subsection (a)(2), the eligible provider shall negotiate with the eligible agency in order to determine an adequate level of funds to be used for noninstructional purposes.

A-10 SUPPLEMENT, NOT SUPPLANT

Funds made available for adult education and literacy activities under this title shall supplement and not supplant other State or local public funds expended for adult education and literacy activities (Se. 241(a)).

Subrecipients are expected to provide a local match to grant funds in an amount that is not less than 25 percent of the total amount of grant funds expended for adult education and literacy activities, in keeping with the State's requirement to do the same (Sec. 222(b)(1)(B)).

Section B: Assurances for Title II of WIOA (AEFLA), Additional Assurances by Integrated English Literacy and Civics Education Programs

All Sections cited are from the Workforce Innovation and Opportunity Act (WIOA), unless otherwise noted. Title II of WIOA is entitled the Adult Education and Family Literacy Act (AEFLA), which further defines the requirements of grants funded under WIOA by the New Hampshire Department of Education's Bureau of Career Development.

The subrecipient hereby assures the New Hampshire Department of Education (NHED) that pursuant to the requirements in AEFLA, Section 243:

B-1 GOALS OF INTEGRATED ENGLISH LITERACY AND CIVICS EDUCATION SERVICES

Each program that receives funding under this section shall:

1. Prepare adults who are English language learners for, and place such adults in, unsubsidized employment in in-demand industries and occupations that lead to economic self-sufficiency (Sec. 243(c)(1)); and
2. Integrate with the local workforce development system and its functions to carry out the activities of the program(Sec. 243(c)(2).

B-2 INTEGRATED EDUCATION AND TRAINING

Each Integrated English Literacy and Civics Education (IELCE) program that receives funding under this section shall support the goals of IELCE programs (B-1) in combination with *Integrated Education and Training* activities (Sec. 243 (a)).

Integrated Education and Training is a service approach that provides adult education and literacy activities concurrently and contextually with workforce preparation activities and workforce training for a specific occupation or occupational cluster for the purpose of educational and career advancement (Sec. 203 (11)).

Workforce Preparation Activities are activities, programs or services designed to help an individual acquire a combination of basic academic skills, critical thinking skills, digital literacy skills, and self-management skills, including competencies in utilizing resources, using information, working with others, understanding systems, and obtaining skills necessary for successful transition into and completion of postsecondary education or training, or employment (Sec. 203(17)).

General Education Provisions Act (GEPA) Section 427 Requirements

Please summarize your answers carefully and completely. Use additional pages as needed.

Contact information for the person responsible for fulfilling the GEPA requirement below:

Name and Title: Ryan Clouthier, Chief Executive Officer

Phone Number: (603) 668-8010

Email Address: rclouthier@caphr.org

GEPA 427 General Educational Provisions Act Requirement

Section 427 of the General Education Provisions Act (GEPA) (20 U.S.C. 1228a) applies to applicants for grant awards under the formula programs within these Program Assurances. All applicants must include answers to the following four (4) sections.

1. Describe how your entity's existing mission, policies, or commitments ensure equitable access to, and equitable participation in, the proposed project or activity.

Community Action Partnership Hillsborough and Rockingham Counties (CAPHR) is a well-established nonprofit CAA and has demonstrated capacity to effectively manage and implement federal, state, and locally funded programs.

CAPHR's Non-Discrimination Statement:

CAPHR is an Equal Opportunity Employer and Service Provider. CAPHR takes reasonable steps to ensure that communications with individuals with disabilities are as effective as communication with others. This means that, upon request and at no cost to the individual, CAPHR is required to provide appropriate auxiliary aids and services to qualified individuals with disabilities.
I. Accommodations are provided on a case-by-case basis by any means necessary including sign interpreter, enlargement screens, and large monitors. CAPHR website includes ADA accessibility with font change and language change. CAPHR has fliers and brochures in different languages.
II. The Equal Opportunity poster is on all bulletin boards in all CAPHR offices in multiple languages. EO training is given to staff annually and at new hire training.
III. CAPHR complies with all provisions of the Americans with Disabilities Act (ADA) of 1990 and Section 504 of the Rehabilitation Act of 1973, as amended. CAPHR is a proud member of the American Job Centers Network, an equal opportunity employer/program and complies with the Americans with Disabilities Act. Auxiliary aids and services are available upon requires. TDD ACESS: RELAY NH 1-800-735-296 or dial 7-1-1.
IV. CAPHR does not discriminate on the basis of disability in its programs, services, activities and employment practices. If individuals need auxiliary aids and services for effective communication (such as a sign language interpreter, an assistive listening device or print material in digital format) or a reasonable modification in programs, services or activities contact the ADA Coordinator as soon as possible, preferably 14 days before the activity or event.
V. Complaints concerning discrimination on the basis of disability by CAPHR may be filed in writing or in person to Deb Stohrer 603-668-8010. Deb Stohrer will contact the complainant within 30 calendar days after receipt of the complaint to discuss the complaint and will respond in writing within 30 days of the discussion.
VI. A grievance procedure is available to resolve complaints and complainants have the right to appeal a decision.
VII. Upon request, this notice and the complaint form are available in alternative formats such as large print.
VIII. Other Resources
a. Vocational Rehabilitation (VR) New Hampshire: Services for the Blind and Vision Impaired (SBVI)
b. New Hampshire AT4All
c. CCSNH has Accessibility Coordinators

2. Based on your proposed project or activity, what barriers may impede equitable access and participation of students, educators, or other beneficiaries?

To ensure equitable access and participation in Community Action Partnership Hillsborough and Rockingham Counties (CAPHR) - English for New Americans (ENA) program will Assess Barriers: ENA will conduct comprehensive assessment to identify any barriers that may impede equitable access and participation in the program. This will include an evaluation of potential barriers based on gender, race, national origin, color, disability, and age. We will also consider any other local circumstances that may affect access and participation.

3. Based on the barriers identified, what steps will you take to address such barriers to equitable access and participation in the proposed project or activity?

CAPHR's ENA program will:

Develop Strategies: Based on the assessment results, we will develop specific strategies and action plans to address the identified barriers. These strategies may include targeted outreach and recruitment efforts, reasonable accommodations, and modifications to instructional materials or methodologies.

Outreach and Recruitment: We will implement outreach activities to reach diverse populations and encourage their participation in the program. This may involve collaborating with community organizations, cultural centers, and other stakeholders to ensure that information about the program is widely disseminated and accessible to individuals from all backgrounds.

Training and Professional Development: We will offer training and professional development opportunities for staff and instructors to enhance their cultural competence, awareness of diversity, and understanding of how to effectively address barriers to equitable access and participation. This will promote a welcoming and inclusive learning environment for all participants. NH Adult Education has PD trainings throughout the year, including a Disabilities Committee, where CAPHR staff participate.

Continuous Evaluation: We will regularly evaluate the effectiveness of the strategies implemented to address barriers and promote equitable access and participation. This evaluation will help identify areas for improvement and ensure ongoing compliance with the requirements of the General Education Provisions Act (GEPA).

By implementing these steps, CAPHR– English for New Americans program aims to create an inclusive and accessible learning environment that promotes equal education opportunities and ensures all individuals can fully participate.

4. What is your timeline, including targeted milestones, for addressing these identified barriers?

Develop Strategies: ongoing throughout the year between ENA staff, Program Manager, and Workforce Development Director.

Outreach/Recruitment: ongoing throughout the year between ENA staff, Program Manager, and Workforce Development Director.

Training/Professional Development: ENA staff and Program Manager will attend Adult Ed PD trainings and conferences throughout the year.

Continuous Evaluation: ongoing/monthly/quarterly.

Mandatory Annual WIOA EO Training completed by September 2026

SIGNATURE PAGE

By signing this document, I attest I have read and understand the obligations of all the assurance statements above (Section A through B) and will ensure that the subrecipient complies with the assurances for the federal program(s) in which the subrecipient is accepting federal funds for the 2026-2027 School Year. I further attest that I have provided a copy of all the assurances for the program(s) in which the subrecipient will participate to the School Board/Board of Trustees/Directors and have consulted with them, including explaining the obligations of the subrecipient under these assurances. I will ensure that the subrecipient will upload this signed document to the LEA Homepage in GMS or provide a copy to the appropriate Program Manager and a copy will be kept on file at the subrecipients location.

Furthermore, I have completed GEPA section 427 to the best of my abilities and assure the necessary steps will be taken to ensure equitable access of federal funding and programming for all students, families, teachers, etc.

	7-1-26
Subrecipient Authorized Official Signature	Date

Appendix 2

New Hampshire Department of Education

2026-2027

GENERAL ASSURANCES, REQUIREMENTS AND DEFINITIONS FOR PARTICIPATION IN FEDERAL PROGRAMS

A. Definitions (2 CFR 200.1)

1) **Audit finding** – Deficiencies which the auditor is required by 2 CFR 200.516 (a) to report in the schedule of findings and questioned costs.

2) **Community based organization** – The term "community-based organization" means a public or private nonprofit organization of demonstrated effectiveness that— (A) is representative of a community or significant segments of a community; and (B) provides educational or related services to individuals in the community.

3) **Local educational agency** – A public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary schools or secondary schools in a city, county, township, school district, or other political subdivision of a State, or for a combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary schools or secondary schools.

4) **Management decision** – The Federal awarding agency's or pass-through entity's written determination, provided to the auditee, of the adequacy of the auditee's proposed corrective actions to address the findings, based on its evaluation of the audit findings and proposed corrective actions.

5) **Pass-through entity** – A recipient or subrecipient that provides a subaward to a subrecipient (including lower tier subrecipients) to carry out of a Federal program. The authority of the pass-through entity under this part flows through the subaward agreement between the pass-through entity and subrecipient.

6) **Period of performance** – The total estimate time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. Identification of the Period of Performance in the Federal award per 2 CFR 200.211(b)(5) does not commit the awarding agency to fund the award beyond the currently approved budget period.

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7) **Reporting authority** – An eligible entity for a subaward that does not meet the definition of local educational agency. Such as; public academies, non-public schools, child care centers, adult education centers, etc.

8) **Subaward** – An award provided by a pass-through entity to a subrecipient for the subrecipient to contribute to the goals and objectives of the project by carrying out part of a Federal award received by the pass-through entity. It does not include payments to a contractor, beneficiary, or participant. A subaward may be provided through any form of legal agreement consistent with criteria in with 2 CFR 200.331, including an agreement the pass-through entity considers a contract.

9) **Subrecipient** – An entity that receives a subaward from a pass-through entity to carry out part of a federal award.

10) **Senior Official** – The top executive in an organization who makes the key decisions on spending, staffing, and other education policies.

B. General Assurances

Assurance is hereby given by the subrecipient that, to the extent applicable:

1) The subrecipient has the legal authority to apply for the federal assistance, and the institutional, managerial, and financial capability (including funds sufficient to pay non-federal share of project costs, as applicable) to ensure proper planning, management, and completion of the project described in all applications submitted.

2) The subrecipient will give the awarding agency, the NHED, the Comptroller General of the United States and, if appropriate, other State Agencies, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3) The subrecipient will comply with the requirements regarding construction and real property within 34 CFR Part 75.600-75.684. The non-Federal entity is required to comply with any reporting requirements on the status of real property in which the Federal Government retains an interest pursuant to 2 CFR 200.330.

4) The subrecipient will establish safeguards to prohibit employees from using their positions for purposes that constitute or appear to present a personal or organizational conflict of interest, or for personal gain.

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Initials of Board Chair: A

5) The subrecipient will initiate and complete the work within the applicable time frame after receiving approval from the awarding agency.

6) The subrecipient will comply with all Federal statutes, administrative rules and executive orders including provisions protecting free speech, religious liberty, public welfare, the environment, and those prohibiting discrimination. These include, but are not limited to:
   a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin;
   b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C.§§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex.
   c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps;
   d) The Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age;
   e) The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse;
   f) The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
   g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records;
   h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing;
   i) Any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made;
   j) The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) and the Protection of Pupil Rights Amendment (PPRA) (20 U.S.C. § 1232h; 34 CFR Part 98); and
   k) The requirements of any other statute(s), administrative rule, executive order, dear colleague letter, or non-regulatory guidance which may apply to the application.

7) The subrecipient will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchases.

8) The subrecipient will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds. The subrecipient further assures that no federally appropriated funds have been paid or will be paid by or on behalf of the subrecipient to any person for influencing or attempting to influence an officer or employee

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of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any federal grant; the entering into of any cooperative agreement; and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement.

9) The subrecipient will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported in whole or in part with federal funds.

10) The subrecipient will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported in whole or in part with federal funds.

11) The subrecipient will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

12) The subrecipient will comply with all applicable requirements of all other federal laws, executive orders, regulations, dear colleague letter, non-regulatory guidance and policies governing all program(s).

13) The subrecipient will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and 2 CFR 200.501, Subpart F, "Audit Requirements," as applicable.

14) The subrecipient will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

15) The control of funds provided to a subrecipient that is a local educational agency, under each program, and title to property acquired with those funds, will be in a public agency, and a public agency will administer those funds and property.

16) Personnel funded by federal grants and their subcontractors will adhere to the prohibition from text messaging while driving an organization-owned vehicle, or while driving their own privately owned vehicle during official Grant business, or from using organization-supplied electronic equipment to text message or email while driving. Subrecipients must comply with these conditions under Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving," October 1, 2009 (pursuant to provisions attached to federal grants funded by the

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US Department of Education).

17) The subrecipient assures that it will adhere to the Pro-Children Act of 2001, which states that no person shall permit smoking within any indoor facility owned or leased or contracted and utilized for the provision of routine or regular kindergarten, elementary, or secondary education or library services to children (P.L. 107-110, section 4303(a)). In addition, no person shall permit smoking within any indoor facility (or portion of such a facility) owned or leased or contracted and utilized for the provision of regular or routine health care or day care or early childhood development (Head Start) services (P.L. 107-110, Section 4303(b)(1). Any failure to comply with a prohibition in this Act shall be considered to be a violation of this Act and any person subject to such prohibition who commits such violation may be liable to the United States for a civil penalty, as determined by the Secretary of Education (P.L. 107-110, section 4303(e)(1).

18) The subrecipient will comply with the Stevens Amendment.

19) The subrecipient will comply with the Buy America Preference for Infrastructure Projects as required by 2 CFR Part 184.

20) The subrecipient will submit such reports to the NHED and to U.S. governmental agencies as may reasonably be required to enable the NHED and U.S. governmental agencies to perform their duties. The subrecipient will maintain such fiscal and programmatic records, including those required under 20 U.S.C. 1234(f), and will provide access to those records, as necessary, for those Departments/agencies to perform their duties.

21) The subrecipient will ensure compliance with 2 CFR 200.415(a) and (b).

22) If an LEA, the subrecipient will provide reasonable opportunities for systematic consultation with and participation of teachers, parents, and other interested agencies, organizations, and individuals, including education-related community groups and non-profit organizations, in the planning for and operation of each program.

23) If an LEA, the subrecipient shall assure that any application, evaluation, periodic program plan, or report relating to each program will be made readily available to parents and other members of the general public upon request.

24) If an LEA, the subrecipient has adopted effective procedures for acquiring and disseminating to teachers and administrators participating in each program, significant information from educational research, demonstrations, and similar projects, and for adopting, where appropriate, promising educational practices developed through such projects. Such procedures shall ensure compliance with applicable federal laws and requirements.

25) The subrecipient will comply with the requirements of the Gun-Free Schools Act of 1994.

26) The subrecipient will submit a fully executed and accurate FY26 Single-Audit Certification

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Initials of Board Chair: AY

(required) and the Federal Expenditures Worksheet (if applicable) to the NHED no later than December 31, 2026. The worksheet will be provided to each subrecipient by the NHED via email and is posted on the NHED website.

27) The subrecipient will comply with the requirements in 2 CFR Part 180, Government-wide Debarment and Suspension (non-procurement).

28) The subrecipient certifies that it will maintain a drug-free workplace and will comply with the requirements of the Drug-Free Workplace Act of 1988 and 34 CFR 84.200.

29) The subrecipient will adhere to the requirements of Title 20 USC 7197 relative to the Transfer of Disciplinary Records.

30) The subrecipient will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

31) The subrecipient will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally assisted construction sub-agreements.

32) The subrecipient will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

33) The subrecipient will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

34) The subrecipient will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

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35) The subrecipient will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

36) As appropriate and to the extent consistent with law, the subrecipient should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award (2 CFR 200.322).

37) The subrecipient will comply with the Prohibition on Certain Telecommunications and Video Surveillance Equipment requirement per 2 CFR 200.216.

38) The subrecipient will comply with the Protection for Whistleblowers (41 U.S.C. §4712).

C. Explanation of Grants Management Requirements

The following section elaborates on certain requirements included in legislation or regulations referred to in section *B. General Assurances*. This section also explains the broad requirements that apply to federal program funds.

1. Financial Management Systems

Financial management systems, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions, and to trace funds to establish that such funds have been used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Specifically, the financial management system must be able to:

a) Identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and federal award identification must include, as applicable, the CFDA title and number, federal award identification number and year, name of the federal agency, and name of the pass-through entity, if any.
b) Provide accurate, current, and complete disclosure of the financial results of each federal award or program.
c) Produce records that identify adequately the source and application of funds for federally funded activities.
d) Maintain effective control over, and accountability for, all funds, property, and other assets.

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The subrecipient must adequately safeguard all assets and assure that they are used solely for authorized purposes.

e) Generate comparisons of expenditures with budget amounts for each federal award.

2. Written Policies and Procedures

The subrecipient must have written policies and procedures for (this list is not all inclusive):

Policy/Procedure Name	In Accordance With	Policy	Procedure
Drug-Free Workplace Policy	34 CFR 84.200 and the Drug-Free Workplace Act of 1988	☑	N/A
Procurement Policy & Procedure	2 CFR 200.317-327	☑	☑
Conflict of Interest/Standard of Conduct Policy	2 CFR 318(c)(1)	☑	N/A
Inventory Management Policy & Procedure	2 CFR 200.313(d)	☑	☑
Travel Policy	2 CFR 200.475(b)	☑	N/A
Subrecipient Monitoring Policy & Procedure (if applicable)	2 CFR 200.332(d)	☑	☑
Time and Effort Policy & Procedure	2 CFR 200.430	☑	☑
Records Retention Policy & Procedure	2 CFR 200.334	☑	☑
Prohibiting the Aiding and Abetting of Sexual Abuse Policy	ESEA Section 8546	☑	N/A
Allowable Cost Determination Policy	2 CFR 200.302(b)(7)	☑	N/A
Gun Free School Act	Gun Free School Act of 1994	☑	N/A
Cash Management	2 CFR 200.302(b)(6) and 200.305	☑	☑
Nonsmoking Policy for Children's Services	ESEA Section 8573	☑	N/A

3. Internal Controls

The subrecipient must:

a) Establish, maintain, and document effective internal controls over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should comply with the guidance outlined in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework" issued by the Committee of

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Sponsoring Organizations of the Treadway Commission (COSO).

b) Comply with the U.S. Constitution, federal statutes, regulations, applicable executive order, and non-regulatory guidance, as applicable, and the terms and conditions of the federal awards.
c) Take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.
d) Take reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information. This also includes information the Federal agency or pass-through entity designates as sensitive or other information the recipient or subrecipient considers sensitive and is consistent with applicable Federal, State, local and tribal laws regarding privacy and responsibility over confidentiality.
e) Retain all Federal award records and other supporting documentation in accordance with 2 CFR 200.334.

4. Allowable Costs

In accounting for and expending project/grant funds, the subrecipient may only charge expenditures to the project award if they are:

a) in payment of obligations incurred during the approved project period;
b) in conformance with the approved project;
c) in compliance with all applicable statutes and regulatory provisions;
d) costs that are allocable to a particular cost objective;
e) spent only for reasonable and necessary costs of the program; and
f) not used for general expenses required to carry out other responsibilities of the subrecipient.

5. Audits

This part is applicable for all non-federal entities as defined in 2 CFR 200, Subpart F.

a) In the event that the subrecipient expends $1,000,000 or more in federal awards in its fiscal year, the subrecipient must have a single or program-specific audit conducted in accordance with the provisions of 2 CFR 200, Subpart F. In determining the federal awards expended in its fiscal year, the subrecipient shall consider all sources of federal awards, including federal resources received from the NHED.. The determination of amounts of federal awards expended should be in accordance with the guidelines established by 2 CFR 200, Subpart F.
b) In connection with the audit requirements, the subrecipient shall also fulfill the requirements relative to auditee responsibilities as provided in 2 CFR 200.508.
c) If the subrecipient expends less than $1,000,000 in federal awards in its fiscal year, an audit conducted in accordance with the provisions of 2 CFR 200, Subpart F, is not required. In the

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event that the subrecipient expends less than $1,000,000 in federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR 200, Subpart F, the cost of the audit must be paid from non-federal resources (i.e., the cost of such an audit must be paid from subrecipient resources obtained from non-federal entities).

The subrecipient assures it will implement the following audit responsibilities:

a) Procure or otherwise arrange for the audit required by this part in accordance with auditor selection regulations (2 CFR 200.509) and ensure it is properly performed and submitted no later than nine months after the close of the fiscal year in accordance with report submission regulations (2 CFR 200.512).
b) Provide the auditor access to personnel, accounts, books, records, supporting documentation, and other information as needed so that the auditor may perform the audit required by this part.
c) Prepare appropriate financial statements, including the schedule of expenditures of federal awards, in accordance with financial statements regulations (2 CFR 200.510).
d) Promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan, in accordance with audit findings follow-up regulations (2 CFR 200.511(b-c)).
e) If an audit reveals the basis for a finding related to a federally funded program, upon request of the NHED, promptly submit a corrective action plan using the NHED template provided for audit findings related to the federally funded programs.
f) For repeat findings not resolved or only partially resolved, the subrecipient must provide an explanation for findings not resolved or only partially resolved to NHED for findings related to all federally funded programs. NHED will review the subrecipient's submission and issue an appropriate management decision adhering to the same framework as set forth in 2 CFR 200.521.

6. Reports to be Submitted

<u>Audits/Management Decisions</u>

Copies of reporting packages for audits conducted in accordance with 2 CFR 200, Subpart F shall be submitted, by or on behalf of the recipient directly to the following:

a) The Federal Audit Clearinghouse (FAC) in 2 CFR 200, Subpart F requires the auditee to electronically submit the data collection form described in 200.512(b) and the reporting package described in 200.512(c) to FAC at: <u>The Federal Audit Clearinghouse</u>

Copies of other reports or management decision letter(s) shall be submitted by or on behalf of the subrecipient <u>directly</u> to:

Initials of Senior Official:
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a) **New Hampshire Department of Education**
Bureau of Federal Compliance
25 Hall Street
Concord, NH 03301 Or via email to: federalcompliance@doe.nh.gov

b) In response to requests by a federal agency, auditees must submit a copy of any management letters issued by the auditor, 2 CFR 200.512(e).

Any other reports, management decision letters, or other information required to be submitted to the NHED pursuant to this agreement shall be submitted in a timely manner.

Single Audit Certifications and Federal Expenditures Worksheet

A fully executed and accurate FY26 Single-Audit Certification (required) and Federal Expenditures Worksheet (if applicable) shall be submitted to the NHED no later than **December 31, 2026**. A copy of the forms will be provided to each subrecipient by the NHED via email.

7. Debarment, Suspension, and Other Responsibility Matters

As required by Executive Orders (E.O.) 12549 and 12689, Debarment and Suspension, and implemented at 2 CFR Part 180, for prospective participants in primary covered transactions, as defined in 2 CFR 180.120, 180.125 and 180.200, no contract shall be made to parties identified on the General Services Administration's *Excluded Parties List System* as excluded from Federal Procurement or Non-procurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension." This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding their exclusion status and that of their principal employees.

The federal government imposes this requirement in order to protect the public interest, and to ensure that only responsible organizations and individuals do business with the government and receive and spend government grant funds. Failure to adhere to these requirements may have serious consequences – for example, disallowance of cost, termination of project, or debarment.

To assure that this requirement is met, there are four options for obtaining satisfaction that subrecipients and contractors are not suspended, debarred, or disqualified.

The subrecipient certifies that it and its principals:

a) Are not presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from covered transactions by any federal Department or agency.
b) Have not within a three-year period preceding this application been convicted of or had a

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civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes; commission of embezzlement; theft, forgery, bribery, falsification, or destruction of records; making false statements; or receiving stolen property.

c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in this certification.
d) Have not within a three-year period preceding this application had one or more public transactions (federal, state, or local) terminated for cause or default.

Where the subrecipient is unable to certify to any of the statements in this certification, they shall attach an explanation to this document.

8. Drug-Free Workplace (Grantees Other Than Individual)

As required by the Drug-Free Workplace Act of 1988 and implemented in 34 CFR 84.200 the subrecipient certifies that it will continue to provide a drug-free workplace by:

a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance (34 CFR 84.610) is prohibited in the subrecipient's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b) Establishing, as required by 34 CFR 84.215, an ongoing drug-free awareness program to inform employees about:

   - The dangers of drug abuse in the workplace;
   - The recipient's policy of maintaining a drug-free workplace;
   - Any available drug counseling, rehabilitation, and employee assistance programs; and
   - The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c) Requiring that each employee engaged in the performance of the project is given a copy of this statement.

d) Notifying the employee in the statement that, as a condition of employment under the project, the employee will:

   - Abide by the terms of the statement; and
   - Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.

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e) Notifying the agency in writing within 5 calendar days after receiving notice of an employee's conviction of a violation of a criminal drug statute in the workplace, as required by 34 CFR 84.205(c)(2), from an employee or otherwise receiving actual notice of employee's conviction. Employers of convicted employees must provide notice, including position title to:

   Director, Grants and Contracts Service
   U.S. Department of Education
   400 Maryland Avenue, S.W. [Room 3124, GSA – Regional Office Building No. 3]
   Washington, D.C. 20202-4571

   (Notice shall include the identification number[s] of each affected grant).

f) Taking one of the following actions, as stated in 34 CFR 84.225(b), within 30 calendar days of receiving the required notice with respect to any employee who is convicted of a violation of a criminal drug statute in the workplace.

   - Taking appropriate personnel action against such an employee, up to and including termination consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   - Requiring such employee to participate satisfactorily in drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.

g) Making a good-faith effort to maintain a drug-free workplace through implementation of the requirements stated above.

9. Gun Possession

As required by Title XIV, Part F, and Section 14601 (Gun-Free Schools Act of 1994) of the Improving America's Schools Act:

The subrecipient assures that it shall comply with the provisions of RSA 193:13, IV.

> Any pupil who brings or possesses a firearm as defined in section 921 of Title 18 of the United States Code in a safe school zone as defined in RSA 193-D:1 without written authorization from the superintendent or designee shall be expelled from school by the local school board for a period of not less than 12 months. Nothing in this section shall be construed to prevent the local school district or chartered public school that expelled the student from providing educational services to such student in an alternative setting.

The subrecipient assures that it shall timely file the report required by Ed 317.07.

The subrecipient assures that it has established policies on school discipline as required by RSA 193:13, XI and XII and Ed 317.03.

10. Lobbying

As required by Section 1352, Title 31, of the U.S. Code, and implemented in 34 CFR Part 82, for persons entering into a grant or cooperative agreement over $100,000, as defined in 34 CFR 82.105 and 82.110, the applicant certifies that:

a) No federally appropriated funds have been paid or will be paid by or on behalf of the subrecipient to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any federal grant; the entering into of any cooperative agreement; and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement.

b) If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with federal grants or cooperative agreements, the subrecipient shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

c) The subrecipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, contracts under federal awards, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

11. Subrecipient Monitoring

In addition to reviews of audits conducted in accordance with 2 CFR 200, Subpart F, subrecipient monitoring procedures may include, but not be limited to, on-site or remote visits by NHED staff, limited scope audits, and/or other procedures. By signing this document, the subrecipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the NHED. In the event the NHED determines that a limited scope audit of the project recipient is appropriate, the subrecipient agrees to comply with any additional instructions provided by NHED staff to the subrecipient regarding such audit.

12. More Restrictive Conditions

Subrecipients found to be in noncompliance with program and/or fund source requirements or determined to be "high risk" shall be subject to the imposition of more restrictive conditions as determined by the NHED.

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13. Obligations by Subrecipients

Obligations will be considered to have been incurred by subrecipients on the basis of documentary evidence of binding commitments for the acquisition of goods or property or for the performance of work, except that funds for personal services, services performed by public utilities, travel, or the rental of facilities shall be considered to have been obligated at the time such services were rendered, such travel occurred, and/or when facilities were used (see 34 CFR 76.707).

14. Personnel Costs – Time Distribution

Charges to federal projects for personnel costs, whether treated as direct or indirect costs, are allowable to the extent that they satisfy the specific requirements of 2 CFR 200.430 and will be based on payrolls documented in accordance with generally accepted practices of the subrecipient and approved by a responsible official(s) of the subrecipient.

When employees work solely on a single federal award or cost objective, charges for their salaries and wages must be supported by personnel activity reports (PARs), which are periodic certifications (at least semi-annually) that the employees worked solely on that program for the period covered by the certification. These certifications must be signed by the employee or a supervisory official having firsthand knowledge of the work performed by the employee.

When employees work on multiple activities or cost objectives (e.g., more than one federal project, a federal project and a non-federal project, an indirect cost activity and a direct cost activity, two or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity), the distribution of their salaries or wages will be supported by personnel activity reports or equivalent documents that meet the following standards:

a) Reflect an after-the-fact distribution of the actual activity of each employee;
b) Account for the total activity for which each employee is compensated;
c) Prepared at least monthly and must coincide with one or more pay period; and
d) Signed and dated by the employee.

15. Protected Prayer in Public Elementary and Secondary Schools

The subrecipient certifies that the LEA has no policy that prevents or otherwise denies participation in constitutionally protected prayer in public elementary and secondary schools. (Section 8524(a) of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act and codified at 20 U.S.C. § 7904).

16. Purchasing/Procurement

The non-Federal entity must have and use documented procurement procedures, consistent with

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Initials of Board Chair: [handwritten initials]

the standards of this section and 2 CFR 200.317 - 2 CFR 200.327 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

1. Informal procurement methods
   a. Micro-purchases
   b. Simplified Acquisition
2. Formal procurement methods
   a. Sealed bids
   b. Proposals
3. Noncompetitive procurement

17. Retention and Access to Records

The subrecipient certifies that it will comply with all federal regulations, including but not limited to, 2 CFR 200.334 – 2 CRF 200.338.

18. The Stevens Amendment

All federally funded projects must comply with the Stevens Amendment of the Department of Defense Appropriation Act, found in Section 8136, which provides:

> *When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with federal money, all grantees receiving federal funds, including but not limited to state and local governments, shall clearly state (1) the percentage of the total cost of the program or project which will be financed with federal money, (2) the dollar amount of federal funds for the project or program, and (3) the percentage and dollar amount of the total costs of the project or program that will be funded by non-governmental sources.*

19. Transfer of Disciplinary Records

Title 20 USC 7197 requires that the State have a procedure (RSA 193-D:8) to assure that a student's disciplinary records, with respect to suspensions and expulsions, are transferred by the project recipient to any public or private elementary or secondary school where the student is required or chooses to enroll.

The relevant portions of the federal and state law appear below.

a) **Disciplinary Records** - In accordance with the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. 1232g), not later than 2 years after the date of enactment of this part, each State receiving Federal funds under this Act shall provide an assurance to the Secretary that the State has a procedure in place to facilitate the transfer of disciplinary records, with respect to a suspension or expulsion, by local educational agencies to any private or public

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elementary school or secondary school for any student who is enrolled or seeks, intends, or is instructed to enroll, on a full- or part-time basis, in the school.

b) **193-D:8 Transfer Records; Notice** – All elementary and secondary educational institutions, including academies, private schools, and public schools, shall upon request of the parent, pupil, or former pupil, furnish a complete school record for the pupil transferring into a new school system. Such record shall include, but not be limited to, records relating to any incidents involving suspension or expulsion, or delinquent or criminal acts, or any incident reports in which the pupil was charged with any act of theft, destruction, or violence in a safe school zone.

20. Compliance with FERPA and PPRA

The subrecipient certifies that it complies with Family Educational Rights and Privacy Act (FERPA) (20 U.S.C.§ 1232g; 34 CFR Part 99) and the Protection of Pupil Rights Amendment (PPRA) (20 U.S.C. § 1232h; 34 CFR Part 98) by ensuring the following:

a) The subrecipient has established and implemented effective internal processes to ensure that student's complete education records are maintained;
b) The subrecipient has established and implemented effective internal processes to ensure that parents are provided with the opportunity to review their student's education records;
c) The subrecipient has established policies and procedures that permit disclosure of personally identifiable information from a student's education records in order to address safety issues in a manner that complies with FERPA;
d) The subrecipient provides parents and eligible students annual notification of their rights under FERPA consistent with 34 CFR § 99.7; and
e) The subrecipient, if applicable, has established procedures to provide military recruiters the same access to secondary students as provided to postsecondary institutions or to prospective employers and require that schools provide student information to military recruiters, when requested, unless the parent has opted out of providing such information (schools are required to provide to military recruiters include student names, addresses, electronic mailing addresses, and telephone listings. *See* Section 8528 of the ESEA, as amended, 20 U.S.C. § 7908 and 10 U.S.C. § 503(c)).

Initials of Senior Official: OP
Initials of Board Chair: AT

CERTIFICATION

Instructions: The Senior Official **must** consult with the Board (School Board, Board of Trustees, Board of Directors, etc.) of the subrecipient by informing said Board about the subrecipients participation in Federal Programs and the terms and conditions of the General Assurances, Requirements and Definitions for Participation in Federal Programs. The Senior Official and the Chair/President of the Board **must** sign this certification page (and initial all other pages) as described below and return it to the NHED. **No subawards will be made by the NHED without a fully executed copy of this General Assurances, Requirements and Definitions for Participation in Federal Programs on file.**

Senior Official Certification:

We the undersigned acknowledge that a person is guilty of a violation of R.S.A. § 641:3 if: (a) He or she makes a written or electronic false statement which he or she does not believe to be true, on or pursuant to a form bearing a notification authorized by law to the effect that false statements made therein are punishable; or (b) With a purpose to deceive a public servant in the performance of his or her official function, he or she: (1) Makes any written or electronic false statement which he or she does not believe to be true; or (2) Knowingly creates a false impression in a written application for any pecuniary or other benefit by omitting information necessary to prevent statements therein from being misleading; or (3) Submits or invites reliance on any writing which he or she knows to be lacking in authenticity; or (4) Submits or invites reliance on any sample, specimen, map, boundary mark, or other object which he or she knows to be false.

Accordingly, I, the undersigned official legally authorized to bind the named subrecipient hereby apply for participation in federally funded education programs on behalf of the subrecipient named below. I certify, to the best of my knowledge, that the below subrecipient will adhere to and comply with these General Assurances, Requirements and Definitions for Participation in Federal Programs (pages 1 through 19 inclusive). I further certify, as is evidenced by the Minutes of the Board Meeting held on June 8, 2026, that I have informed the members of the Board of the federal funds the subrecipient will be receiving and of these General Assurances, Requirements and Definitions for the Participation in Federal Programs for the subrecipients participation in said programs.

Subrecipient Name (must match applicant name): Southern New Hampshire Services, Inc. DBA Community Action Partnership Hillsborough and Rockingham Counties

Ryan Clouthier		6-8-26
Typed Name of Senior Official	Signature	Date

Initials of Senior Official:
Initials of Board Chair:

Board Certification:

I, the undersigned official representing the Board, acknowledge that the Senior Official, as identified above, has consulted with all members of the Board, in furtherance of the Board's obligations (including those enumerated in RSA 189:1-a for local educational agencies), and pursuant to the Board's oversight of federal funds the subrecipient will be receiving and of the General Assurances, Requirements and Definitions for Participation in Federal Programs in said programs.

_Toni Pappas____________	Toni Pappas	6/8/26
Typed Name of Board Chair/ President (on behalf of the Board)	Signature	Date

Initials of Senior Official:
Initials of Board Chair:

CERTIFICATE OF AUTHORITY

I, Orville Kerr, 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 Southern New Hampshire Services, Inc. dba Community Action Partnership Hillsborough and Rockingham Counties.
(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 February 25, 2026, at which a quorum of the Directors/shareholders were present and voting.

VOTED: That Ryan Clouthier, CEO, Sarah Vanderhoof, COO; James Chaisson, CFO, and Cara Aliberti, Senior Accountant (may list more than one person)is duly authorized on behalf of Southern New Hampshire Services, Inc. to enter into contracts or agreements with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to 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: 7/27/26

Signature of Elected Officer
Name: Orville Kerr
Title: Secretary

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 SOUTHERN NEW HAMPSHIRE SERVICES INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 28, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **65506**
Certificate Number: **0007901388**

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire,
this 7th day of April A.D. 2026.

David M. Scanlan
Secretary of State

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 03/30/2026

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).

PRODUCER
Cross Insurance-Manchester
1100 Elm Street
Manchester NH 03101

CONTACT NAME: Stephanie Peffer
PHONE (A/C, No, Ext): (603) 669-3218 FAX (A/C, No): (603) 645-4331
E-MAIL ADDRESS: manch.certs@crossagency.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Philadelphia Indemnity Ins Co	18058
INSURER B : The North River Insurance Company	21105
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Southern New Hampshire Services, Inc.; SNHS Management Corporation DBA Rockingham Community Action
PO Box 5040
Manchester NH 03108-5040

COVERAGES **CERTIFICATE NUMBER:** 26-27 All lines w/prof **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY; [ ] CLAIMS-MADE [X] OCCUR; GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC; OTHER:			PHPK2670953-005	04/01/2026	04/01/2027	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
A	AUTOMOBILE LIABILITY; [X] ANY AUTO; [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS; [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY			PHPK2670952-005	04/01/2026	04/01/2027	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
A	[X] UMBRELLA LIAB [X] OCCUR; [ ] EXCESS LIAB [ ] CLAIMS-MADE; [ ] DED [X] RETENTION $ 10,000			PHUB905859-005	04/01/2026	04/01/2027	EACH OCCURRENCE	$ 5,000,000
							AGGREGATE	$ 5,000,000
								$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N; ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) N; If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		R02587HCHS2026-01 (3a.) NH	01/01/2026	01/01/2027	[X] PER STATUTE [ ] OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
A	Professional Liability			PHPK2670953-005	04/01/2026	04/01/2027	Each Prof Incident	$1,000,000
							Aggregate	$2,000,000

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

Refer to policy for exclusionary endorsements and special provisions.

CERTIFICATE HOLDER

NH Adult Education: Department of Education
25 Hall Street
Concord NH 03301

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

NONPROFIT COVER SHEET

A. Entity Name: Southern New Hampshire Services, Inc. dba Community Action Partnership Hillsborough and Rockingham Counties

B. Entity's Contact Information:

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

Name / Phone / Email: Deb Stohrer, 603-668-8010, dstohrer@caphr.org

Person responsible for Accuracy and Completeness of information provided:
Name: Ryan Clouther Title: CEO
Signature:

C. List Board of Directors and Affiliations

Name (Identify any additional role(s) in Parentheses)	Affiliations
E.g., John Doe (President)	
Commissioner Toni Pappas	Public
Kathleen Mackin	Representative of low income
Thomas Mullins	Public
Orville Kerr	Representative of low income
Carrie Marshall Gross	Private
German Ortiz	Private
Deborah Gosselin O'Shea	Private
Wanda Kennerson	Private
Speaker Sherm Packard	Public
Commissioner Kevin Burgess	Public
Anna Hamel	Representative of low income
Carrie Santos	Representative of low income
Joy Barrett	Representative of low income

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

Name	Role	Annual Salary	Amount Paid From This Contract
Ryan Clouthier	CEO	$200,000	$0.00
Sarah Vanderhoof	COO	$145,200	$0.00
James Chaisson	CFO	$175,011	$0.00

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

E. Check one of the following:

[X] The entity is **not currently or has not been** party to any legal proceeding involving the State of New Hampshire (or any agency or subdivision thereof) or any other state/federal government entity before any adjudicative body in any jurisdiction **OR**

[ ] The entity is or has been party to one or more legal proceedings as set forth above. Identify the jurisdiction, court or other adjudicative body, case number, and briefly describe the nature of the proceeding (Attached extra sheet if necessary).

____

____

____

CHARITABLE TRUSTS UNIT COMPLIANCE CERTIFICATION

F. Check one of the following:

[X] is registered and in good standing with the New Hampshire Department of Justice Charitable Trusts Unit (** see note below) **or** has submitted a complete application for registration to the Charitable Trusts Unit and is awaiting a registration determination **OR**

[ ] is not required to register with the Charitable Trusts Unit because it is neither tax-exempt under section 501(c)(3) of the Internal Revenue Code nor engages in charitable solicitations in the State of New Hampshire **OR**

[ ] is exempt from registration with the Charitable Trusts Unit because it is a federal or state government, agency, or subdivision or is a religious organization, an integrated auxiliary of a religious organization, or is a convention or association of churches.

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

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

FINANCIAL DISCLOSURES

G. Check one the following:

[X] The organization hired an outside firm to audit its financial statements or to prepare GAAP-compliant financial statements for its most recently completed fiscal year. If so, please ensure that the financial statements and audit results are available to be requested from the contact listed on Page 1 (audited financials may be attached) **OR**

[ ] The above does not apply, but the organization filed an IRS Form 990 or Form 990-EZ for its most recently completed fiscal year. Please attach that IRS Form 990 or Form 990-EZ to the submission. (Form 990 Schedule B is not required) **OR**

[ ] ***If neither of the above apply***, complete the Income Statement and Balance Sheet below with the following basic financial information from the organization's most recently completed fiscal year:

1. INCOME STATEMENT

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

2. BALANCE SHEET

Assets	
Cash & Equivalents	$
Investments	$
Real Estate (less any depreciation)	$
Other Property & Equipment (less any depreciation)	$
Pledges, grants, accounts receivable	$
All other assets	$
Total Assets	$

Liabilities	
Accounts Payable	$
Loans Payable	$
All other liabilities	$
Total Liabilities	$

Mission Statement

The Mission of Southern New Hampshire Services is to provide activities designed to assist low-income participants, including the elderly poor, to secure and retain meaningful employment, attain an adequate education, and make better use of available income; to ameliorate the causes of poverty within the community; to meet urgent and immediate individual and family needs, including health, nutrition, housing and employment-related assistance; and to address the problems and barriers which block the achievement of self-sufficiency.

Financial Statements

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

COMBINED FINANCIAL STATEMENTS AND SUPPLEMTARY INFORMATION FOR THE YEARS ENDED JULY 31, 2025 AND 2024 AND INDEPENDENT AUDITORS' REPORT AND REPORTS ON COMPLIANCE AND INTERNAL CONTROL

Leone, McDonnell & Roberts
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

TABLE OF CONTENTS

Leone, McDonnell & Roberts
Professional Association
CERTIFIED PUBLIC ACCOUNTANTS
DOVER • WOLFEBORO
NORTH CONWAY

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Southern New Hampshire Services, Inc. and Affiliate

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Southern New Hampshire Services, Inc. and Affiliate (a nonprofit organization), which comprise the combined statements of financial position as of July 31, 2025 and 2024, and the related combined statements of activities and changes in net assets, functional expenses and cash flows for the years then and the related notes to the financial statements.

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of Southern New Hampshire Services, Inc. and Affiliate as of July 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, 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 combined financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Southern New Hampshire Services, Inc. and Affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Southern New Hampshire Services, Inc. and Affiliate's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2026, on our consideration of Southern New Hampshire Services, Inc. and Affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Southern New Hampshire Services, Inc. and Affiliate'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 Southern New Hampshire Services, Inc. and Affiliate's internal control over financial reporting and compliance.

Leone McDonnell & Roberts
Professional Association

Dover, New Hampshire
March 23, 2026

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

COMBINED STATEMENTS OF FINANCIAL POSITION
JULY 31, 2025 AND 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 8,788,423	$ 9,539,517
Investments	10,118,567	9,456,835
Grants receivable	4,277,936	4,269,703
Accounts receivable	980,306	836,027
Prepaid expenses	274,926	189,485
Total current assets	24,440,158	24,291,567
PROPERTY		
Land	4,376,194	4,166,475
Buildings and improvements	18,621,916	18,071,076
Vehicles and equipment	1,779,212	1,644,351
Total property	24,777,322	23,881,902
Less: accumulated depreciation	7,759,636	6,907,196
Property, net	17,017,686	16,974,706
OTHER ASSETS		
Restricted cash	471,315	530,820
TOTAL ASSETS	$ 41,929,159	$ 41,797,093

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Current portion of long term debt	$ 96,174	$ 91,766
Accounts payable	1,006,520	1,291,035
Accrued payroll and related expenses	1,970,618	2,310,624
Accrued compensated absences	413,814	405,259
Other liabilities	143,129	299,675
Refundable advances	708,902	1,056,760
Tenant security deposits	80,628	80,712
Total current liabilities	4,419,785	5,535,831
LONG TERM LIABILITIES		
Long term debt, less current portion shown above	1,225,238	1,309,061
Total liabilities	5,645,023	6,844,892
NET ASSETS		
Without donor restrictions	36,284,136	34,952,201
TOTAL LIABILITIES AND NET ASSETS	$ 41,929,159	$ 41,797,093

See Notes to Combined Financial Statements

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

COMBINED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

	2025	2024
REVENUES, GAINS AND OTHER SUPPORT		
Grant revenue	$ 37,574,837	$ 40,037,178
Program service fees	1,086,681	754,401
Local funding	194,933	277,042
Rental income	959,707	930,124
Gifts and other contributions	283,674	297,407
Interest and dividend income	193,915	293,616
Realized gain (loss) on investments	159,363	(109,036)
Unrealized gain on investments	411,975	895,857
Miscellaneous	73,747	262,632
In-kind contributions	3,162,772	3,634,310
Gain (loss) on disposal of property	500	(42,374)
Total revenues, gains and other support	44,102,104	47,231,157
EXPENSES		
Program services		
Child development	12,868,340	13,361,608
Community services	1,743,233	1,719,902
Economic and workforce development	2,787,181	4,159,088
Energy	15,565,347	15,983,329
Language and literacy	179,550	202,317
Housing and homeless	354,639	1,089,085
Nutrition and health	2,154,873	2,078,468
Special projects	2,415,054	2,008,413
Volunteer services	130,446	130,692
SNHS Management Corporation	2,458,677	2,135,197
Total program services	40,657,340	42,868,099
Supporting activities		
Management and general expense	2,112,829	2,038,841
Total expenses	42,770,169	44,906,940
CHANGE IN NET ASSETS	1,331,935	2,324,217
NET ASSETS, BEGINNING OF YEAR	34,952,201	32,627,984
NET ASSETS, END OF YEAR	$ 36,284,136	$ 34,952,201

See Notes to Combined Financial Statements

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2025

	Program Services						
	Child Development	Community Services	Economic and Workforce Development	Energy	Language and Literacy	Housing and Homeless	Nutrition and Health
EXPENSES							
Payroll	$ 5,624,995	$ 697,501	$ 1,258,860	$ 2,307,486	$ 148,754	$ 148,846	$ 913,020
Payroll taxes	423,664	52,768	94,273	176,007	9,921	11,325	68,367
Fringe benefits	1,100,467	100,615	216,727	464,151	8,372	22,310	143,980
Workers compensation insurance	75,116	4,973	1,800	11,443	2,009	827	15,627
Unemployment	12,097	1,426	2,966	5,054	290	339	2,151
Retirement benefits	388,835	62,783	97,276	149,370	3,391	5,531	52,083
Consultant and contractual	180,788	232,751	9,345	997,184	658	786	11,390
Travel and transportation	102,342	11,483	49,470	60,053	220	3,255	54,016
Conferences and meetings	75	40,902	497	12,369	82	-	2,388
Occupancy	633,469	199,580	356,025	154,182	9,051	12,111	76,697
Advertising	107,271	3,582	6,153	859	178	-	50,887
Supplies	316,684	24,328	10,508	83,131	9,050	2,101	349,837
Equipment rentals and maintenance	10,535	566	1,770	64,559	1,013	106	2,371
Insurance	41,900	59,902	1,912	41,675	68	373	10,393
Telephone	85,823	21,925	28,513	46,636	4,517	3,530	74,088
Postage	262	10	342	35,036	10	31	1,728
Printing and publications	8,063	6,125	-	-	-	-	267
Subscriptions	-	55	-	914	-	-	-
Program support	-	130,523	-	83,507	-	-	-
Interest	5,425	-	-	-	-	-	-
Depreciation	282,670	144,783	459	6,145	1,968	7,949	11,039
Assistance to clients	200,238	-	604,431	10,965,830	-	197,129	389,632
Other expense	207,170	8,733	21,954	31,840	623	-	5,953
Miscellaneous	15,411	5,571	35,220	2,416	-	451	1,276
In-kind expenses	3,162,772	-	-	-	-	-	-
SUBTOTAL	12,986,072	1,810,885	2,798,501	15,699,847	200,175	417,000	2,237,190
Eliminations	(117,732)	(67,652)	(11,320)	(134,500)	(20,625)	(62,361)	(82,317)
TOTAL EXPENSES	$ 12,868,340	$ 1,743,233	$ 2,787,181	$ 15,565,347	$ 179,550	$ 354,639	$ 2,154,873

See Notes to Combined Financial Statements

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

COMBINED STATEMENT OF FUNCTIONAL EXPENSES (Continued)
FOR THE YEAR ENDED JULY 31, 2025

	Program Services				Support Services	
	Special Projects	Volunteer Services	SNHS Management Corporation	Total Program Services	Management and General	2025 Total
EXPENSES						
Payroll	$ 51,933	$ 89,680	$ 586,755	$ 11,827,830	$ 1,338,746	$ 13,166,576
Payroll taxes	3,938	5,965	44,502	890,730	95,685	986,415
Fringe benefits	3,072	23,267	77,650	2,160,611	136,296	2,296,907
Workers compensation insurance	232	132	6,596	118,755	3,417	122,172
Unemployment	106	192	1,049	25,670	2,863	28,533
Retirement benefits	4,636	4,959	44,099	812,963	131,427	944,390
Consultant and contractual	2,137,472	402	101,625	3,672,401	255,394	3,927,795
Travel and transportation	4,470	6,015	49,325	340,649	6,152	346,801
Conferences and meetings	6,333	-	34,088	96,734	1,324	98,058
Occupancy	12,000	-	769,562	2,222,677	63,648	2,286,325
Advertising	-	950	10,680	180,560	-	180,560
Supplies	55	5,132	36,717	837,543	33,255	870,798
Equipment rentals and maintenance	4,480	-	17,016	102,416	8,510	110,926
Insurance	2,267	1,554	71,450	231,494	5,085	236,579
Telephone	4,063	3,075	35,516	307,686	13,770	321,456
Postage	-	623	875	38,917	11,722	50,639
Printing and publications	-	-	-	14,455	-	14,455
Subscriptions	-	600	1,057	2,626	129	2,755
Program support	148,359	-	146,310	508,699	-	508,699
Interest	-	-	39,307	44,732	-	44,732
Depreciation	55,703	-	512,173	1,022,889	3,441	1,026,330
Assistance to clients	811	-	1,796	12,359,867	-	12,359,867
Other expense	-	102	30,112	306,487	1,254	307,741
Miscellaneous	998	2,933	82,318	146,594	711	147,305
In-kind expenses	-	-	-	3,162,772	-	3,162,772
SUBTOTAL	2,440,928	145,581	2,700,578	41,436,757	2,112,829	43,549,586
Eliminations	(25,874)	(15,135)	(241,901)	(779,417)	-	(779,417)
TOTAL EXPENSES	$ 2,415,054	$ 130,446	$ 2,458,677	$ 40,657,340	$ 2,112,829	$ 42,770,169

See Notes to Combined Financial Statements

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2024

	Program Services						
	Child Development	Community Services	Economic and Workforce Development	Energy	Language and Literacy	Housing and Homeless	Nutrition and Health
EXPENSES							
Payroll	$ 5,682,528	$ 663,139	$ 1,359,974	$ 2,225,179	$ 153,860	$ 305,367	$ 828,916
Payroll taxes	427,885	50,321	102,144	168,885	9,928	23,053	62,652
Fringe benefits	1,269,938	97,327	249,982	545,182	7,603	61,141	167,626
Workers compensation insurance	56,257	3,503	1,496	8,364	2,135	356	12,306
Unemployment	28,411	3,316	6,800	11,163	769	1,517	4,146
Retirement benefits	377,365	63,800	104,471	126,947	1,281	17,244	45,474
Consultant and contractual	61,596	408,393	215,830	1,384,552	597	49,282	10,820
Travel and transportation	90,475	10,773	28,630	65,243	213	1,275	47,720
Conferences and meetings	-	23,627	1,931	8,323	-	-	1,415
Occupancy	689,746	150,334	479,230	144,818	7,350	12,782	68,364
Advertising	65,249	10,262	7,153	1,386	-	-	-
Supplies	249,114	18,692	5,061	103,346	11,668	6,435	307,630
Equipment rentals and maintenance	28,833	9,837	1,399	59,413	828	204	1,099
Insurance	28,953	72,643	3,303	36,203	-	5,928	5,580
Telephone	71,022	20,988	31,413	40,115	3,896	17,200	85,266
Postage	898	-	141	38,986	-	16	2,321
Printing and publications	2,600	6,877	-	-	-	-	-
Subscriptions	-	-	-	-	-	-	-
Program support	-	178,285	-	45,429	-	5,404	-
Interest	6,265	-	-	-	-	-	-
Depreciation	255,012	122,305	26,241	6,143	1,968	7,947	4,238
Assistance to clients	250,501	16,809	1,488,432	10,952,537	-	586,715	427,197
Other expense	194,395	10,855	54,383	80,360	168	569	4,181
Miscellaneous	11,777	1,433	3,604	2,556	53	304	5,209
In-kind expenses	3,634,310	-	-	-	-	-	-
SUBTOTAL	13,483,130	1,943,519	4,171,618	16,055,130	202,317	1,102,739	2,092,160
Eliminations	(121,522)	(223,617)	(12,530)	(71,801)	-	(13,654)	(13,692)
TOTAL EXPENSES	$ 13,361,608	$ 1,719,902	$ 4,159,088	$ 15,983,329	$ 202,317	$ 1,089,085	$ 2,078,468

See Notes to Combined Financial Statements

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

COMBINED STATEMENT OF FUNCTIONAL EXPENSES (Continued)
FOR THE YEAR ENDED JULY 31, 2024

	Program Services				Support Services	
	Special Projects	Volunteer Services	SNHS Management Corporation	Total Program Services	Management and General	2024 Total
EXPENSES						
Payroll	$ 87,778	$ 79,798	$ 539,999	$ 11,926,538	$ 1,335,532	$ 13,262,070
Payroll taxes	6,714	5,476	42,730	899,788	96,953	996,741
Fringe benefits	1,871	22,982	85,311	2,508,963	157,340	2,666,303
Workers compensation insurance	298	88	4,248	89,051	2,602	91,653
Unemployment	439	399	2,403	59,363	6,700	66,063
Retirement benefits	7,463	5,696	45,140	794,881	129,116	923,997
Consultant and contractual	1,808,222	343	90,132	4,029,767	172,124	4,201,891
Travel and transportation	6,147	7,756	43,609	301,841	5,190	307,031
Conferences and meetings	7,412	-	28,078	70,786	849	71,635
Occupancy	12,000	-	596,010	2,160,634	57,121	2,217,755
Advertising	-	-	1,845	85,895	-	85,895
Supplies	518	1,824	46,796	751,084	33,209	784,293
Equipment rentals and maintenance	2,239	-	19,527	123,379	8,148	131,527
Insurance	2,664	1,762	55,324	212,360	4,288	216,648
Telephone	3,360	3,027	28,769	305,056	15,246	320,302
Postage	-	465	826	43,653	11,675	55,328
Printing and publications	-	-	-	9,477	-	9,477
Subscriptions	-	600	875	1,475	89	1,564
Program support	148,174	-	99,388	476,680	-	476,680
Interest	-	-	42,841	49,106	-	49,106
Depreciation	59,352	-	389,618	872,824	3,579	876,403
Assistance to clients	1,255	-	3,546	13,726,992	-	13,726,992
Other expense	249	-	6,950	352,110	1,405	353,515
Miscellaneous	432	476	60,709	86,553	829	87,382
In-kind expenses	-	-	-	3,634,310	-	3,634,310
SUBTOTAL	2,156,587	130,692	2,234,674	43,572,566	2,041,995	45,614,561
Eliminations	(148,174)	-	(99,477)	(704,467)	(3,154)	(707,621)
TOTAL EXPENSES	$ 2,008,413	$ 130,692	$ 2,135,197	$ 42,868,099	$ 2,038,841	$ 44,906,940

See Notes to Combined Financial Statements

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,331,935	$ 2,324,217
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	1,026,330	876,403
Loss (gain) on disposal of property	(500)	42,374
Unrealized gain on investments	(411,975)	(895,857)
Realized loss (gain) on investments	(159,363)	109,036
Decrease (increase) in assets:		
Grants receivable	(8,233)	388,242
Accounts receivable	(144,279)	239,061
Prepaid expenses	(85,441)	122,498
Increase (decrease) in liabilities:		
Accounts payable	(3,925)	(722,847)
Accrued payroll and related expenses	(340,006)	358,037
Accrued compensated absences	8,555	(16,447)
Other liabilities	(24,143)	(107,650)
Refundable advances	(347,858)	(1,152,858)
Tenant security deposits	(84)	(1,295)
NET CASH PROVIDED BY OPERATING ACTIVITIES	841,013	1,562,914
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property	(1,482,303)	(3,720,006)
Proceeds from disposal of equipment	500	-
Proceeds from sale of investment	9,822,425	1,700,000
Purchase of investments, cash	(9,730,789)	-
Purchase of investments, reinvested dividends and capital gains	(182,030)	(280,096)
NET CASH USED IN INVESTING ACTIVITIES	(1,572,197)	(2,300,102)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term debt	(79,415)	(76,000)
NET CASH USED IN FINANCING ACTIVITIES	(79,415)	(76,000)
NET DECREASE IN CASH AND RESTRICTED CASH	(810,599)	(813,188)
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	10,070,337	10,883,525
CASH AND RESTRICTED CASH, END OF YEAR	$ 9,259,738	$ 10,070,337
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 44,732	$ 49,106
SUPPLEMENTAL DISCLOSURES OF NONCASH FINANCING ACTIVITIES		
Building Improvements in the current year in other liabilities	$ 39,870	$ 172,273
Building Improvements in the current year in accounts payable	$ 247,063	$ 527,653
Building Improvements in the prior year in accounts payable, paid in the current year	$ (527,653)	$ (567,478)
Building Improvements in the prior year in other liabilities, paid in the current year	$ (172,273)	$ -
CASH AND RESTRICTED CASH		
Cash and cash equivalents	$ 8,788,423	$ 9,539,517
Restricted cash	471,315	530,820
Total cash and restricted cash	$ 9,259,738	$ 10,070,337

See Notes to Combined Financial Statements

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Southern New Hampshire Services, Inc. (SNHS, Inc.) and affiliate (collectively the Organization) is a nonprofit umbrella corporation that offers an array of services to the elderly, disabled, and low-income households in New Hampshire's Hillsborough County and Rockingham County. The Organization's programs provide assistance in the areas of education, child development, employment, energy and its conservation, housing, and homelessness prevention. The Organization is committed to providing respectful support services and assisting individuals and families in achieving self-sufficiency by helping them overcome the causes of poverty. The primary source of revenues is derived from governmental contracts. Services are provided through Southern New Hampshire Services, Inc., and SNHS Management Corporation.

Basis of Accounting

The Organization prepares its combined financial statements utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

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

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

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

Donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

As of July 31, 2025 and 2024, the Organization had no net assets with donor restrictions.

Combined Financial Statements

The combined financial statements include the accounts of SNHS Management Corporation because Southern New Hampshire Services, Inc. controls more than 50% of the voting power. All significant intercompany items and transactions have been eliminated from the basic combined financial statements.

Southern New Hampshire Services, Inc. and SNHS Management Corporation are governed by separate boards of directors and each Organization files its own form 990 with the IRS. See combining schedules on pages 24 and 25 of these financial statements.

Estimates

The preparation of combined financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these amounts.

Cash and Cash Equivalents

For the purpose of the combined statements of cash flows, the Organization considers all unrestricted highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. During the year ended July 31, 2025 cash equivalents totaled $84,049. During the year ended July 31, 2024 the Organization had no cash equivalents.

Current Vulnerabilities Due to Certain Concentrations

The Organization is operated in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or Legislature. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Concentration of Credit Risk

The Organization maintains its cash balances at several financial institutions located in New Hampshire. The balances are insured by the Federal Deposit Insurance Organization (FDIC) up to $250,000 per financial institution. In addition, on October 2, 2008, the Organization entered into an agreement with its principal banking partner to collateralize deposits in excess of the FDIC insurance limit on some accounts. The balances, at times, may exceed amounts covered by the FDIC and collateralization agreements. It is the opinion of management that there is no significant risk with respect to these deposits at either July 31, 2025 and 2024.

Accounts and Grants Receivable
All accounts and grants receivable are stated at the amount management expects to collect from balances outstanding at year-end. The Organization uses historical loss information based on the aging of receivables as the basis to determine expected credit losses from receivables and believes that the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the client base has not changed significantly. Management determined that no allowance for uncollectible accounts was deemed necessary for either year ended July 31, 2025 or 2024.

Support and Revenue Recognition

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

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

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

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

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

Private Grant Revenue and Contributions

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

Grants and Support

Grant revenue is derived from various federal grant agreements and various state and private entity passthrough grant agreements and contracts to provide funding support of the Organization's programs and services provided by the Organization including childcare, child development, social, health, nutrition, employment, language, energy, and special needs services to families enrolled in the Organization's programs. The Organization has evaluated its grant agreements against applicable accounting standard guidance and determined that the grant agreements are contributions (nonreciprocal transaction) conditioned upon certain performance requirements and/or incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenses in compliance with specific provisions of the grant agreements. Federal and state grant revenue comprised approximately 85% of total revenue in each of the fiscal years ended July 31, 2025 and 2024.

Rental Revenue

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

Refundable Advances

Refundable advances result from unexpended balances from these conditional contributions and will be subsequently recognized as contribution revenue when donor conditions are met.

In-Kind Donations
The Organization records various types of in-kind support including professional services and materials. Contributed professional services are recognized if the service received creates or enhances long-lived assets or requires specialized skill, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. In-kind revenues and expenses for the years ended July 31, 2025 and 2024 are $3,162,772 and $3,634,310, respectively (See **Note 11**).

Investments
The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the combined statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying combined statements of activities.

Property
Property acquired by the Organization is capitalized at cost if purchased or fair value if donated. Effective October 2024, it is the Organization's policy to capitalize expenditures for these items in excess of $10,000 ($5,000 prior to October 2024). Major additions and renewals are capitalized, while repairs and maintenance are expensed as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to forty years. Depreciation expense for the years ended July 31, 2025 and 2024 was $1,026,330 and $876,403, respectively.

Property purchased with grant funds are owned by the Organization while used in the program for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the fixed assets purchased with grant funds. The disposition of property, as well as the ownership of any proceeds is subject to funding source regulations.

Advertising
The Organization uses advertising to promote programs among the people it serves. The production costs of advertising are expensed as incurred.

Income Taxes
Southern New Hampshire Services, Inc. and SNHS Management Corporation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and are not private foundations. As such, they are exempt from income tax on their exempt function income.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Other expenses, that are common to several functions, are allocated by management based on effort. Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis. Supporting services have been subclassified as follows:

Management and General – Includes all activities related to the Organization's internal management.

NOTE 2. RESTRICTED CASH

The Organization, as stipulated in many of the loan agreements associated with the housing projects included in SNHS Management Corporation, is required to maintain separate accounts, and make monthly deposits into certain restricted reserves for the replacement of property and other expenditures. In addition, the Organization is required to maintain separate accounts for tenant security deposits and any surplus cash that may result from annual operations. These accounts are also not available for operating purposes and generally need additional approval from oversite agencies before withdrawal and use of these funds can occur.

NOTE 3. FAIR VALUE MEASUREMENT

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

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

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at July 31, 2025 and 2024.

Mutual Funds: Valued at the net asset value of shares held on the last trading day of the fiscal year, which is the basis for transactions at that date.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of July 31:

2025

	Level 1	Level 2	Level 3	Total
Total mutual funds at fair value	$10,118,567	$ -	$ -	$10,118,567

2024

	Level 1	Level 2	Level 3	Total
Total mutual funds at fair value	$ 9,456,835	$ -	$ -	$ 9,456,835

NOTE 4. INVESTMENTS

The Organization's investments are presented in the financial statements in the aggregate at fair value and consisted of the following as of July 31:

	2025		2024	
	Market Value	Cost	Market Value	Cost
Mutual funds	$ 10,118,567	$ 9,150,044	$ 9,456,835	$ 8,165,348

The Organization had unrealized gains on investments of $411,975 and $895,857 at July 31, 2025 and 2024, respectively.

The activities of the Organization's investment account are summarized as follows:

	2025	2024
Fair value – beginning of year	$ 9,456,835	$ 10,089,918
Dividends and capital gains, reinvested	182,030	280,096
Withdrawals	-	(1,700,000)
Investment fees	(7,587)	-
Realized gain (loss)	159,363	(109,036)
Unrealized gain	411,975	895,857
Total investment balance	10,202,616	9,456,835
Less cash equivalents included in cash	(84,049)	-
Fair value – end of year	$ 10,118,567	$ 9,456,835

NOTE 5. LIQUIDITY AND AVAILABILITY

The Organization's financial assets available for expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise the following as of July 31:

	2025	2024
Cash and cash equivalents	$ 8,788,423	$ 9,539,517
Reserve funds	471,315	530,820
Investments	10,118,567	9,456,835
Grants receivable	4,277,936	4,269,703
Accounts receivable	980,306	836,027
Total financial assets	24,636,547	24,632,902
Less amounts not available to be used within one year:		
Reserve funds	471,315	530,820
Financial assets available to meet general expenditures over the next 12 months	$ 24,165,232	$ 24,102,082

The Organization maintains several reserve funds for property taxes, insurance expenses, and repair and replacement or emergency needs which are required by financing authorities. These funds may be withdrawn only with the approval of the financing authority and are not considered by the Organization to have donor restrictions.

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due.

NOTE 6. LONG TERM DEBT

The long term debt at July 31, 2025 and 2024 consisted of the following:

	2025	2024
SNHS, Inc.		
Mortgage payable to bank, secured by real estate located on Temple St., Nashua, NH, payable in monthly installments of $2,182 plus interest through 2030. Interest is at 4.00% at July 31, 2025 and 2024.	$ 121,934	$ 142,695
SNHS Management Corporation		
Mortgage payable to City of Manchester, secured by real estate located in Manchester, NH. A balloon payment of $11,275 was due on June 30, 2010. Interest is at 0.00%. SNHS, Inc. is currently negotiating with the City of Manchester to obtain forgiveness.	11,275	11,275
Mortgage payable to New Hampshire Housing secured by real estate located on Pleasant St., Epping, NH, payable in monthly installments of $1,084 including interest through 2042. Interest is at 3.50% at July 31, 2025 and 2024.	160,530	167,790
Mortgage payable to MH Parsons and Sons Lumber, secured by real estate located on Crystal Ave., Derry, NH, payable in monthly installments of $3,715 including interest through 2031. Interest is at 5.50% at July 31, 2025 and 2024.	236,975	266,628
Mortgage payable to New Hampshire Housing secured by real estate located in Deerfield, NH, payable in monthly installments of $3,327 including interest through 2033. Interest is at 7.00% at July 31, 2025 and 2024.	247,773	269,514

	2025	2024
Mortgage payable to New Hampshire Housing secured by real estate located in Deerfield, NH with annual principal repayments equal to 25% of cash surplus due through 2032. Interest is at 0.00%.	392,925	392,925
Mortgage payable to New Hampshire Housing secured by real estate located in Deerfield, NH with annual principal repayments equal to 25% of cash surplus due through 2032. Interest is at 0.00%.	150,000	150,000
	1,321,412	1,400,827
Less: current portion due within one year	96,174	91,766
	$ 1,225,238	$ 1,309,061

The schedule of maturities of long term debt at July 31, 2025 is as follows:

Year Ending July 31,	Amount
2026	$ 96,174
2027	89,564
2028	94,498
2029	99,719
2030	105,244
Thereafter	836,213
Total	$ 1,321,412

NOTE 7. ACCRUED COMPENSATED BALANCES

At July 31, 2025 and 2024 the Organization accrued a liability for future annual leave time that its employees had earned in the amount of $413,814 and $405,259, respectively. Any hours not used by the end of the calendar year are forfeited.

NOTE 8. RETIREMENT BENEFITS

The Organization has an Employer-Sponsored 403(b) plan offering participation to all employees working over 20 hours per week. Participating employees contributing any percentage of their wages of 1% or more, after one year of service, will receive a contribution equal to 10% of their wages from the Organization. The retirement benefit expense for the years ended July 31, 2025 and 2024 was $944,390 and $923,997, respectively.

NOTE 9. OPERATING LEASES

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The standard applies a right of use model that requires, all leases with a lease term of more than 12 months, to recognize an asset representing its right to use the underlying asset for the lease term and liability to make lease payments to be recorded. The adoption of ASU 2016-02 did not have a material impact on the Organization's results of operations and cash flows. There were no material amounts to be recognized as operating right of use asset or operating lease liability at July 31, 2025 and 2024, due to limited leases having a term greater than 12 months.

The Organization leases various facilities under several operating leases. Total lease payments for the years ended July 31, 2025 and 2024 equaled $426,024 and $526,222, respectively. The leases expire at various times. Some of the leases contain renewal options that are contingent upon federal funding, and some contain renewal options subject to renegotiation of lease terms.

The schedule of future minimum lease payments at July 31, 2025 for the operating leases is as follows:

Year Ending July 31	Amount
2026	$ 106,863
2027	42,018
2028	8,235
2029	6,000
Total	$ 163,116

NOTE 10. RISKS AND UNCERTAINTIES

Cotton Mill Square

In 2015, SNHS Management Corporation entered into a contract as part of the Community Development Investment Tax Credit Program with the Community Development Finance Authority (CDFA) and was awarded $1,000,000 to provide funding for the development and adaptive reuse of an abandoned historic cotton mill in downtown Nashua, New Hampshire. Under this program, the Project (Cotton Mill Square) created 109 units of housing and was required to reserve 55 of these units for low to moderate income households.

As stipulated by the contract and after a 20% program fee retained by the CDFA, SNHS Management Corporation entered into a subrecipient agreement with the owners of the Project (Cotton Mill Square LLC) to provide a promissory note and mortgage of the remaining award amount of $800,000. The 20 year note to Cotton Mill Square LLC is non-interest bearing and the principal is forgivable at a rate of

5% each year if the Project maintains the required minimum of 55 low to moderate income household units.

The Cotton Mill Square Project was awarded the certificate of occupancy on August 22, 2014 and remains in full compliance with the required regulations as of July 31, 2025 and 2024. SNHS Management Corporation feels that it is extremely unlikely that the Project will fall into noncompliance in future periods. Therefore, SNHS Management Corporation has not recorded any contingent receivable or liability related to this transaction. The note repayment is accelerated if the units fall out of compliance.

In October of 2017, the subrecipient agreement with Cotton Mill Square LLC was amended to cease the annual 5% debt forgiveness. This modification effectively holds the promissory note balance at $720,000 which will now be forgiven in full at the end of the agreement as long as the Project maintains compliance with the original terms of the agreement. This modification did not change the contingent receivable or liability with SNHS Management Corporation.

NOTE 11 IN-KIND CONTRIBUTIONS/SERVICES

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

The fair value of gifts in kind included with contributions in the financial statements and the corresponding program expenses for the year ended July 31, 2025 and 2024, is as follows:

	2024	2023
Volunteer hours:		
Head start and early head start	$ 3,162,772	$ 3,634,310

NOTE 12. RELATED PARTY TRANSACTIONS

During the years ended July 31, 2025 and 2024, the Organization served as the management agent for several low income elderly housing properties. Management fees charged by the Organization totaled $822,902 and $769,868, for the years ended July 31, 2025 and 2024, respectively. The Organization was reimbursed for salaries and benefits for shared employees in the amount of $7,473,100 and $7,285,898 for the years ended July 31, 2025 and 2024, respectively. The services performed by the Organization included, marketing, accounting, tenant selection (for the HUD properties), HUD compliance (for the HUD properties), and maintenance of properties. The amount due from properties to the Organization was $980,306 and $836,027 for the years ended July 31, 2025 and 2024, respectively.

Additionally, the Organization has advanced the housing properties funds for cash flow purposes over several years.

NOTE 13. SELF-FUNDED HEALTH INSURANCE PLAN

The Organization provides health insurance benefits to eligible employees through a self-funded health insurance plan. Under this agreement, the Organization assumes the financial risk for paying claims, rather than purchasing traditional group insurance. The plan is administered by a third party administrator (Anthem Blue Cross Blue Shield), who processes claims, provides plan reporting, and manages other administrative functions.

To limit the Organization's exposure to large or unforeseen medical claims, stop-loss insurance coverage has been obtained. The stop-loss policy provides specific coverage for individual claims exceeding $170,000.

The Organization funds claim payments and administrative costs directly from operating cash flows. Employees also contribute to the cost of coverage through payroll deductions, based on the selected coverage tier. All employee and employer contributions are used to fund claims, administrative fees, and stop-loss premiums.

As of July 31, 2025 and 2024, the Organization recorded a liability of $1,193,427 and $1,517,017, respectively, for potential claims to be incurred. This liability is covered by a designated cash balance which totaled $1,194,184 and $1,517,312 for the years ended July 31, 2025 and 2024, respectively. This estimate is based on historical claims experience, claims lag reports provided by Anthem Blue Cross Blue Shield, and actuarial data, where applicable. Management believes the estimate reasonably reflects the obligations of the plan as of year end; however, actual results may differ due to the inherent uncertainty in healthcare claims trends.

Total expenses under the plan for the years ended July 31, 2025 and 2024 amounted to $2,115,740 and $2,492,461, respectively, and is included in fringe benefits expense on the statement of functional expenses.

NOTE 14. RECLASSIFICATIONS

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

NOTE 15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 23, 2026, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

(See Independent Auditors' Report)

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

Schedule A

COMBINING SCHEDULE OF FINANCIAL POSITION
JULY 31, 2025

	SNHS, Inc.	SNHS Management Corporation	Sub-Total	Elimination	Total
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ 97,634	$ 8,690,789	$ 8,788,423	$ -	$ 8,788,423
Investments	-	10,118,567	10,118,567	-	10,118,567
Grants receivable	4,167,166	110,770	4,277,936	-	4,277,936
Accounts receivable	-	980,306	980,306	-	980,306
Prepaid expenses	109,101	165,825	274,926	-	274,926
Due from related parties	6,639,037	(3,348,864)	3,290,173	(3,290,173)	-
Total current assets	11,012,938	16,717,393	27,730,331	(3,290,173)	24,440,158
PROPERTY					
Land	680,097	3,696,097	4,376,194	-	4,376,194
Buildings and improvements	4,848,897	13,773,019	18,621,916	-	18,621,916
Vehicles and equipment	1,410,699	368,513	1,779,212	-	1,779,212
Total property	6,939,693	17,837,629	24,777,322	-	24,777,322
Less: accumulated depreciation	2,503,688	5,255,948	7,759,636	-	7,759,636
Total property, net	4,436,005	12,581,681	17,017,686	-	17,017,686
OTHER ASSETS					
Restricted cash	26,460	444,855	471,315	-	471,315
TOTAL ASSETS	$ 15,475,403	$ 29,743,929	$ 45,219,332	$ (3,290,173)	$ 41,929,159
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Current portion of long term debt	$ 21,626	$ 74,548	$ 96,174	$ -	$ 96,174
Accounts payable	679,184	327,336	1,006,520	-	1,006,520
Accrued payroll and related expenses	454,442	1,516,176	1,970,618	-	1,970,618
Accrued compensated absences	-	413,814	413,814	-	413,814
Other liabilities	103,259	39,870	143,129	-	143,129
Refundable advances	194,148	514,754	708,902	-	708,902
Tenant security deposits	26,460	54,168	80,628	-	80,628
Due to related parties	3,348,862	(58,689)	3,290,173	(3,290,173)	-
Total current liabilities	4,827,981	2,881,977	7,709,958	(3,290,173)	4,419,785
LONG TERM LIABILITIES					
Long term debt, less current portion shown above	100,308	1,124,930	1,225,238	-	1,225,238
Total liabilities	4,928,289	4,006,907	8,935,196	(3,290,173)	5,645,023
NET ASSETS					
Without donor restrictions	10,547,114	25,737,022	36,284,136	-	36,284,136
TOTAL LIABILITIES AND NET ASSETS	$ 15,475,403	$ 29,743,929	$ 45,219,332	$ (3,290,173)	$ 41,929,159

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

Schedule B

COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2025

	SNHS, Inc.	SNHS Management Corporation	Sub-Total	Elimination	Total
REVENUES, GAINS AND OTHER SUPPORT					
Grant revenue	$ 37,486,773	$ 88,064	$ 37,574,837	$ -	$ 37,574,837
Program service fees	678,853	916,571	1,595,424	(508,743)	1,086,681
Local funding	-	194,933	194,933	-	194,933
Rental income	-	1,230,381	1,230,381	(270,674)	959,707
Gifts and other contributions	233,162	50,512	283,674	-	283,674
Interest and dividend income	83	193,832	193,915	-	193,915
Realized Gain on investments	-	159,363	159,363	-	159,363
Unrealized gain on investments	-	411,975	411,975	-	411,975
Miscellaneous	34,978	38,769	73,747	-	73,747
In-kind contributions	3,162,772	-	3,162,772	-	3,162,772
Gain on disposal of property	-	500	500	-	500
Total revenues, gains and other support	41,596,621	3,284,900	44,881,521	(779,417)	44,102,104
EXPENSES					
Program services					
Child development	12,986,072	-	12,986,072	(117,732)	12,868,340
Community services	1,810,885	-	1,810,885	(67,652)	1,743,233
Economic and workforce development	2,798,501	-	2,798,501	(11,320)	2,787,181
Energy	15,699,847	-	15,699,847	(134,500)	15,565,347
Language and literacy	200,175	-	200,175	(20,625)	179,550
Housing and homeless	417,000	-	417,000	(62,361)	354,639
Nutrition and health	2,237,190	-	2,237,190	(82,317)	2,154,873
Special projects	2,440,928	-	2,440,928	(25,874)	2,415,054
Volunteer services	145,581	-	145,581	(15,135)	130,446
SNHS Management Corporation	-	2,700,578	2,700,578	(241,901)	2,458,677
Total program services	38,736,179	2,700,578	41,436,757	(779,417)	40,657,340
Supporting activities					
Management and general expense	2,112,829	-	2,112,829	-	2,112,829
Total expenses	40,849,008	2,700,578	43,549,586	(779,417)	42,770,169
CHANGE IN NET ASSETS	747,613	584,322	1,331,935	-	1,331,935
NET ASSETS, BEGINNING OF YEAR	9,799,501	25,152,700	34,952,201	-	34,952,201
NET ASSETS, END OF YEAR	$ 10,547,114	$ 25,737,022	$ 36,284,136	$ -	$ 36,284,136

WHISPERING PINES II
(FORMERLY: EPPING SENIOR HOUSING ASSOCIATES LIMITED PARTNERSHIP)
(PROJECT NO. A199991-046)

STATEMENTS OF FINANCIAL POSITION
JULY 31, 2025 AND 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash	$ 18,281	$ 18,637
Prepaid expenses	11,144	10,048
Total current assets	29,425	28,685
RESTRICTED CASH		
Insurance escrow	2,002	3,212
Tax escrow	10,296	5,757
Replacement reserves	50,972	49,837
Operating reserve	58,589	57,112
Total restricted cash	121,859	115,918
PROPERTY		
Land	166,600	166,600
Buildings and improvements	598,178	598,178
Total property	764,778	764,778
Less accumulated depreciation	146,002	128,407
Property, net	618,776	636,371
OTHER ASSETS		
Tenant security deposits	13,580	14,349
TOTAL ASSETS	$ 783,640	$ 795,323

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Current portion of mortgage note payable	$ 7,518	$ 7,259
Accounts payable	1,654	5,077
Accrued expenses	533	110
Total current liabilities	9,705	12,446
LONG TERM LIABILITIES		
Due to affiliate	86,642	64,392
Mortgage note payable, less current portion as shown above	153,012	160,531
Tenant security deposits	13,580	14,349
Total long term liabilities	253,234	239,272
Total liabilities	262,939	251,718
NET ASSETS WITHOUT DONOR RESTRICTIONS	520,701	543,605
TOTAL LIABILITIES AND NET ASSETS	$ 783,640	$ 795,323

WHISPERING PINES II
(FORMERLY: EPPING SENIOR HOUSING ASSOCIATES LIMITED PARTNERSHIP)
(PROJECT NO. A199991-046)

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

	2025	2024
INCOME		
Rental income	$ 185,508	$ 180,587
Interest income	9	8
Interest income restricted	3,160	3,416
Other income	4,127	4,295
Total income	192,804	188,306
OPERATING EXPENSES		
Administrative	42,462	44,130
Utilities	58,628	49,814
Maintenance	61,211	50,232
General	30,055	34,914
Total operating expenses	192,356	179,090
INTEREST EXPENSE	5,757	6,006
INCOME (LOSS) BEFORE DEPRECIATION	(5,309)	3,210
Depreciation	17,595	17,595
CHANGE IN NET ASSETS	(22,904)	(14,385)
NET ASSETS, BEGINNING OF YEAR	543,605	557,990
NET ASSETS, END OF YEAR	$ 520,701	$ 543,605

WHISPERING PINES II
(FORMERLY: EPPING SENIOR HOUSING ASSOCIATES LIMITED PARTNERSHIP)
(PROJECT NO. A199991-046)

SCHEDULES OF RENTAL OPERATIONS EXPENSES
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

	2025	2024
ADMINISTRATIVE EXPENSES		
Management fee	$ 14,400	$ 14,400
Salaries and wages	14,349	16,239
Fringe benefits	3,936	4,332
Legal	-	123
Telephone	176	240
Other administrative expenses	9,601	8,796
Total administrative expenses	42,462	44,130
UTILITIES		
Electricity	21,143	19,515
Fuel	15,270	15,938
Water and sewer	22,215	14,361
Total utility expenses	58,628	49,814
MAINTENANCE		
Trash removal	2,892	2,792
Snow removal	13,416	9,276
Elevator repairs and contract	3,507	3,707
Custodial supplies	39	43
Repairs, materials	38,859	25,716
Repairs, contract	2,498	8,698
Total maintenance expense	61,211	50,232
INTEREST, NHH MORTGAGE NOTE	5,757	6,006
DEPRECIATION	17,595	17,595
GENERAL EXPENSE		
Real estate taxes	18,019	23,071
Payroll taxes	1,097	1,241
Retirement benefits	116	1,138
Workman's compensation	597	485
Insurance	10,226	8,979
Total general expense	30,055	34,914
TOTAL RENTAL OPERATIONS EXPENSES	$ 215,708	$ 202,691

WHISPERING PINES II
(FORMERLY: EPPING SENIOR HOUSING ASSOCIATES LIMITED PARTNERSHIP)
(PROJECT NO. A199991-046)

SCHEDULES OF RECEIPTS AND DISBURSEMENTS
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

	2025	2024
SOURCES OF FUNDS:		
Rental operations		
INCOME		
Tenant paid rent	$ 169,562	$ 166,485
HAP rent subsidy	15,946	14,102
Total rental receipts	185,508	180,587
Interest income	3,169	3,424
Service income	2,635	2,900
Other income	1,492	1,395
Total rental operations receipts	192,804	188,306
EXPENSES		
Administrative	42,731	43,934
Utilities	62,962	48,926
Maintenance	59,932	50,351
General	30,827	35,940
Interest	5,757	6,006
Total rental operations disbursements	202,209	185,157
CASH PROVIDED BY (USED IN) RENTAL OPERATIONS BEFORE AMORTIZATION OF MORTGAGE	(9,405)	3,149
AMORTIZATION OF MORTGAGE	(7,260)	(7,010)
CASH USED IN RENTAL OPERATIONS AFTER DEBT SERVICE	(16,665)	(3,861)
OTHER DISBURSEMENTS		
Net receipts from management agent	22,250	16,695
Net deposits from reserve accounts	(5,941)	(12,311)
NET INCREASE (DECREASE) IN CASH	(356)	523
CASH, BEGINNING OF YEAR	18,637	18,114
CASH, END OF YEAR	$ 18,281	$ 18,637

WHISPERING PINES II
(FORMERLY: EPPING SENIOR HOUSING ASSOCIATES LIMITED PARTNERSHIP)
(PROJECT NO. A199991-046)

SCHEDULES OF RESTRICTED CASH RESERVES AND ESCROWS
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

DESCRIPTION OF FUND:		Deposits		Withdrawals	
Restricted Accounts:	Balance Beginning of Year	Funding of Reserves	Interest Earned	Expenditures	Balance End of Year
For the Year Ended July 31, 2025					
Operating reserve	$ 57,112	$ -	$ 1,477	$ -	$ 58,589
Insurance escrow	3,212	10,255	157	(11,622)	2,002
Tax escrow	5,757	21,750	216	(17,427)	10,296
Replacement reserves	49,837	13,870	1,310	(14,045)	50,972
TOTAL RESTRICTED CASH RESERVES AND ESCROWS	$ 115,918	$ 45,875	$ 3,160	$ (43,094)	$ 121,859
For the Year Ended July 31, 2024					
Operating reserve	$ 55,427	$ -	$ 1,685	$ -	$ 57,112
Insurance escrow	1,074	10,169	121	(8,152)	3,212
Tax escrow	4,767	24,022	188	(23,220)	5,757
Replacement reserves	42,339	13,800	1,422	(7,724)	49,837
TOTAL RESTRICTED CASH RESERVES AND ESCROWS	$ 103,607	$ 47,991	$ 3,416	$ (39,096)	$ 115,918

WHISPERING PINES II
(FORMERLY: EPPING SENIOR HOUSING ASSOCIATES LIMITED PARTNERSHIP)
(PROJECT NO. A199991-046)

SCHEDULES OF SURPLUS CASH
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

	2025	2024
Net loss	$ (22,904)	$ (14,385)
Add:		
Depreciation	17,595	17,595
Expenditures from reserve accounts not capitalized	14,045	7,724
Deduct:		
Interest income from reserve accounts	(3,160)	(3,416)
Required principal payments	(7,260)	(7,010)
Required payments to replacement reserves	(13,870)	(13,800)
Cash deficit	$ (15,554)	$ (13,292)

WHISPERING PINES II
(FORMERLY: EPPING SENIOR HOUSING ASSOCIATES LIMITED PARTNERSHIP)
(PROJECT NO. A199991-046)

YEAR-TO-DATE COMPILATION OF OWNERS' FEE/DISTRIBUTION
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

Year	Maximum Allowable Distribution	Distributions Received	Balance
12/31/2001	$ 243,855	$ -	$ 243,855
12/31/2002	243,855	-	487,710
12/31/2003	243,855	5,895	725,670
12/31/2004	243,855	7,200	962,325
12/31/2005	243,855	-	1,206,180
12/31/2006	243,855	6,120	1,443,915
12/31/2007	243,855	-	1,687,770
12/31/2008	243,855	-	1,931,625
12/31/2009	243,855	-	2,175,480
12/31/2010	243,855	-	2,419,335
12/31/2011	243,855	-	2,663,190
12/31/2012	243,855	-	2,907,045
12/31/2013	243,855	7,200	3,143,700
12/31/2014	243,855	-	3,387,555
12/31/2015	243,855	-	3,631,410
7/31/2016	142,249	-	3,773,659
7/31/2017	243,855	-	4,017,514
7/31/2018	243,855	-	4,261,369
7/31/2019	243,855	-	4,505,224
7/31/2020	243,855	-	4,749,079
7/31/2021	243,855	-	4,992,934
7/31/2022	243,855	-	5,236,789
7/31/2023	243,855	-	5,480,644
7/31/2024	243,855	-	5,724,499
7/31/2025	243,855	-	5,968,354

J.B. MILETTE MANOR
(FORMERLY: J.B. MILETTE LIMITED PARTNERSHIP)

STATEMENTS OF FINANCIAL POSITION
JULY 31, 2025 AND 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash	$ 18,729	$ 23,178
Prepaid expenses	15,155	17,094
Total current assets	33,884	40,272
RESTRICTED CASH		
Replacement reserves	45,995	59,916
Total restricted cash	45,995	59,916
PROPERTY		
Land	176,000	176,000
Buildings and improvements	1,208,015	1,191,515
Total property	1,384,015	1,367,515
Less accumulated depreciation	291,690	255,279
Property, net	1,092,325	1,112,236
OTHER ASSETS		
Tenant security deposits	20,020	19,173
TOTAL ASSETS	$ 1,192,224	$ 1,231,597

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Accounts payable	$ 2,709	$ 5,784
Deferred revenue	13,576	13,576
Accrued expenses	1,717	1,687
Total current liabilities	18,002	21,047
LONG TERM LIABILITIES		
Due to affiliate	149,722	119,831
Tenant security deposits	19,280	19,173
Total long term liabilities	169,002	139,004
Total liabilities	187,004	160,051
NET ASSETS WITHOUT DONOR RESTRICTIONS	1,005,220	1,071,546
TOTAL LIABILITITES AND NET ASSETS	$ 1,192,224	$ 1,231,597

J.B. MILETTE MANOR
(FORMERLY: J.B. MILETTE LIMITED PARTNERSHIP)

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

	2025	2024
INCOME		
Rental income	$ 229,163	$ 213,637
Interest income	11	11
Interest income restricted	27	28
Other income	1,931	1,807
Total income	231,132	215,483
OPERATING EXPENSES		
Administrative	83,614	80,805
Utilities	66,273	68,719
Maintenance	60,303	65,285
General	50,857	44,262
Total operating expenses	261,047	259,071
LOSS BEFORE DEPRECIATION	(29,915)	(43,588)
Depreciation	(36,411)	(35,174)
CHANGE IN NET ASSETS	(66,326)	(78,762)
NET ASSETS, BEGINNING OF YEAR	1,071,546	1,150,308
NET ASSETS, END OF YEAR	$ 1,005,220	$ 1,071,546

J.B. MILETTE MANOR
(FORMERLY: J.B. MILETTE LIMITED PARTNERSHIP)

SCHEDULES OF RENTAL OPERATIONS EXPENSES
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

	2025	2024
ADMINISTRATIVE EXPENSES		
Management fee	$ 17,688	$ 17,688
Salaries and wages	50,761	47,944
Fringe benefits	5,420	4,486
Legal	165	2,355
Telephone	91	120
Other administrative expenses	9,489	8,212
Total administrative expenses	83,614	80,805
UTILITIES		
Electricity	27,688	26,887
Fuel	21,878	28,718
Water and sewer	16,707	13,114
Total utility expenses	66,273	68,719
MAINTENANCE		
Trash removal	2,892	2,792
Snow removal	16,033	9,838
Elevator repairs and contract	6,868	7,055
Custodial supplies	918	1,415
Repairs, materials	30,193	38,314
Repairs, contract	3,399	5,871
Total maintenance expense	60,303	65,285
DEPRECIATION	36,411	35,174
GENERAL EXPENSE		
Real estate taxes	21,497	19,703
Payroll taxes	3,858	3,652
Retirement benefits	4,507	3,686
Workman's compensation	1,390	1,024
Insurance	19,605	16,197
Total general expense	50,857	44,262
TOTAL RENTAL OPERATIONS EXPENSES	$ 297,458	$ 294,245

J.B. MILETTE MANOR
(FORMERLY: J.B. MILETTE LIMITED PARTNERSHIP)

SCHEDULES OF RECEIPTS AND DISBURSEMENTS
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

	2025	2024
SOURCES OF FUNDS:		
Rental operations		
INCOME		
Tenant paid rent	$ 216,700	$ 199,922
HAP rent subsidy	12,463	13,715
Total rental receipts	229,163	213,637
Interest income	38	39
Service income	1,931	1,807
Other	-	13,576
Total rental operations receipts	231,132	229,059
EXPENSES		
Administrative	83,298	80,965
Utilities	66,268	70,864
Maintenance	64,409	62,028
General	48,918	48,662
Total rental operations disbursements	262,893	262,519
CASH USED IN RENTAL OPERATIONS	(31,761)	(33,460)
OTHER DISBURSEMENTS		
Net receipts from management agent	29,891	404
Net withdrawals from reserve accounts	13,921	37,606
Purchase of property	(16,500)	-
NET INCREASE (DECREASE) IN CASH	(4,449)	4,550
CASH, BEGINNING OF YEAR	23,178	18,628
CASH, END OF YEAR	$ 18,729	$ 23,178

J.B. MILETTE MANOR
(FORMERLY: J.B. MILETTE LIMITED PARTNERSHIP)

SCHEDULES OF RESTRICTED CASH RESERVES AND ESCROWS
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

DESCRIPTION OF FUND:		Deposits		Withdrawals	
Restricted Accounts:	Balance Beginning of Year	Funding of Reserves	Interest Earned	Expenditures	Balance End of Year
For the Year Ended July 31, 2025					
Replacement reserves	$ 59,916	$ 15,600	$ 27	$ (29,548)	$ 45,995
TOTAL RESTRICTED CASH RESERVES AND ESCROWS	$ 59,916	$ 15,600	$ 27	$ (29,548)	$ 45,995
For the Year Ended July 31, 2024					
Replacement reserves	$ 97,522	$ 15,600	$ 28	$ (53,234)	$ 59,916
TOTAL RESTRICTED CASH RESERVES AND ESCROWS	$ 97,522	$ 15,600	$ 28	$ (53,234)	$ 59,916

J.B. MILETTE MANOR
(FORMERLY: J.B. MILETTE LIMITED PARTNERSHIP)

SCHEDULES OF SURPLUS CASH
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

	2025	2024
Net loss	$ (66,326)	$ (78,762)
Add:		
Depreciation	36,411	35,174
Reserve for replacement withdrawals not capitalized	13,048	53,234
Deduct:		
Interest income from reserve accounts	(27)	(28)
Required payments to replacement reserves	(15,600)	(15,600)
Cash deficit	$ (32,494)	$ (5,982)

SHERBURNE WOODS
(FORMERLY: SNHS DEERFIELD ELDERLY HOUSING LIMITED PARTNERSHIP)
(PROJECT NO. HAP PBA 901-02-05)

STATEMENTS OF FINANCIAL POSITION
JULY 31, 2025 AND 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash	$ 28,376	$ 38,195
Prepaid expenses	13,372	12,596
Total current assets	41,748	50,791
RESTRICTED CASH		
Insurance escrow	3,922	2,863
Tax escrow	7,040	7,513
Replacement reserves	164,388	232,035
Operating reserves	73,509	71,656
Total restricted cash	248,859	314,067
PROPERTY		
Land	211,000	211,000
Buildings and improvements	1,039,875	932,700
Total property	1,250,875	1,143,700
Less accumulated depreciation	177,511	149,225
Property, net	1,073,364	994,475
OTHER ASSETS		
Tenant security deposits	16,396	15,580
TOTAL ASSETS	$ 1,380,367	$ 1,374,913

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Current portion of mortgage note payable	$ 23,312	$ 21,741
Accounts payable	8,675	2,707
Accrued expenses	1,521	802
Total current liabilities	33,508	25,250
LONG TERM LIABILITIES		
Due to affiliate	106,282	69,444
Mortgage note payable, less current portion as shown above	767,386	790,698
Tenant security deposits	16,396	15,580
Total long term liabilities	890,064	875,722
Total liabilities	923,572	900,972
NET ASSETS WITHOUT DONOR RESTRICTIONS	456,795	473,941
TOTAL LIABILITIES AND NET ASSETS	$ 1,380,367	$ 1,374,913

SHERBURNE WOODS
(FORMERLY: SNHS DEERFIELD ELDERLY HOUSING LIMITED PARTNERSHIP)
(PROJECT NO. HAP PBA 901-02-05)

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

	2025	2024
INCOME		
Rental income	$ 262,652	$ 261,344
Interest income	17	28
Interest income restricted	7,357	9,206
Other income	4,112	4,259
Total income	274,138	274,837
OPERATING EXPENSES		
Administrative	51,044	46,304
Utilities	49,159	37,608
Maintenance	97,754	94,193
General	46,864	41,055
Total operating expenses	244,821	219,160
INTEREST EXPENSE	18,177	19,643
INCOME BEFORE DEPRECIATION	11,140	36,034
Depreciation	28,286	24,855
CHANGE IN NET ASSETS	(17,146)	11,179
NET ASSETS, BEGINNING OF YEAR	473,941	462,762
NET ASSETS, END OF YEAR	$ 456,795	$ 473,941

SHERBURNE WOODS
(FORMERLY: SNHS DEERFIELD ELDERLY HOUSING LIMITED PARTNERSHIP)
(PROJECT NO. HAP PBA 901-02-05)

SCHEDULES OF RENTAL OPERATIONS EXPENSES
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

	2025	2024
ADMINISTRATIVE EXPENSES		
Advertising	$ 38	$ 90
Management fee	18,000	18,000
Salaries and wages	23,183	18,851
Fringe benefits	248	553
Telephone	268	239
Other administrative expenses	9,307	8,571
Total administrative expenses	51,044	46,304
UTILITIES		
Electricity	23,467	19,811
Fuel	10,455	11,087
Water and sewer	15,237	6,710
Total utility expenses	49,159	37,608
MAINTENANCE		
Trash removal	2,892	3,053
Snow removal	39,311	24,097
Custodial supplies	163	-
Repairs, materials	44,691	51,162
Repairs, contract	10,697	15,881
Total maintenance expense	97,754	94,193
INTEREST	18,177	19,643
DEPRECIATION	28,286	24,855
GENERAL EXPENSE		
Real estate taxes	30,316	27,918
Payroll taxes	1,773	1,441
Retirement benefits	1,530	1,885
Workman's compensation	961	563
Insurance	12,284	9,248
Total general expense	46,864	41,055
TOTAL RENTAL OPERATIONS EXPENSES	$ 291,284	$ 263,658

SHERBURNE WOODS
(FORMERLY: SNHS DEERFIELD ELDERLY HOUSING LIMITED PARTNERSHIP)
(PROJECT NO. HAP PBA 901-02-05)

SCHEDULES OF RECEIPTS AND DISBURSEMENTS
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

	2025	2024
SOURCES OF FUNDS:		
Rental operations		
INCOME		
Tenant paid rent	$ 153,926	$ 144,920
HAP rent subsidy	108,726	116,424
Total rental receipts	262,652	261,344
Interest income	7,374	9,234
Service income	2,815	2,715
Other income	1,297	1,544
Total rental operations receipts	274,138	274,837
EXPENSES		
Administrative	50,379	45,980
Utilities	50,390	36,664
Maintenance	91,408	93,475
General	46,733	44,273
Interest	18,177	19,643
Total rental operations disbursements	257,087	240,035
CASH PROVIDED BY RENTAL OPERATIONS BEFORE AMORTIZATION OF MORTGAGE	17,051	34,802
AMORTIZATION OF MORTGAGE	(21,741)	(20,275)
CASH PROVIDED BY (USED IN) RENTAL OPERATIONS AFTER DEBT SERVICE	(4,690)	14,527
OTHER DISBURSEMENTS		
Purchase of property	(107,175)	-
Net receipts (payments) from management agent	36,838	(4,288)
Net withdrawals (deposits) from reserve accounts	65,208	(24,163)
NET DECREASE IN CASH	(9,819)	(13,924)
CASH, BEGINNING OF YEAR	38,195	52,119
CASH, END OF YEAR	$ 28,376	$ 38,195

SHERBURNE WOODS
(FORMERLY:SNHS DEERFIELD ELDERLY HOUSING LIMITED PARTNERSHIP)
(PROJECT NO.HAP PBA 901-02-05

SCHEDULES OF RESTRICTED CASH RESERVES AND ESCROWS
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

DESCRIPTION OF FUND:		Deposits		Withdrawals	
Restricted Accounts:	Balance Beginning of Year	Funding of Reserves	Interest Earned	Expenditures	Balance End of Year
For the Year Ended July 31, 2025					
Operating reserves	$ 71,656	$ -	$ 1,853	$ -	$ 73,509
Insurance escrow	2,863	13,305	130	(12,376)	3,922
Tax escrow	7,513	30,914	235	(31,622)	7,040
Replacement reserves	232,035	27,000	5,139	(99,786)	164,388
TOTAL RESTRICTED CASH RESERVES AND ESCROWS	$ 314,067	$ 71,219	$ 7,357	$ (143,784)	$ 248,859
For the Year Ended July 31, 2024					
Operating reserves	$ 69,541	$ -	$ 2,115	$ -	$ 71,656
Insurance escrow	950	8,822	106	(7,015)	2,863
Tax escrow	5,728	30,717	223	(29,155)	7,513
Replacement reserves	213,685	27,000	6,762	(15,412)	232,035
TOTAL RESTRICTED CASH RESERVES AND ESCROWS	$ 289,904	$ 66,539	$ 9,206	$ (51,582)	$ 314,067

SHERBURNE WOODS
(FORMERLY: SNHS DEERFIELD ELDERLY HOUSING LIMITED PARTNERSHIP)
(PROJECT NO. HAP PBA 901-02-05)

SCHEDULES OF SURPLUS CASH
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

	2025	2024
Net income (loss)	$ (17,146)	$ 11,179
Add:		
Depreciation	28,286	24,855
Expenditures from reserve accounts not capitalized	6,386	15,412
Deduct:		
Interest income from reserve accounts	(7,357)	(9,206)
Required principal payments	(21,741)	(20,275)
Required payments to replacement reserves	(27,000)	(27,000)
Cash deficit	$ (38,572)	$ (5,035)

SHERBURNE WOODS
(FORMERLY:SNHS DEERFIELD ELDERLY HOUSING LIMITED PARTNERSHIP)
(PROJECT NO.HAP PBA 901-02-05

YEAR-TO-DATE COMPILATION OF OWNERS' FEE/DISTRIBUTION
FOR THE YEARS ENDED JULY 31, 2025 AND 2024

Year	Maximum Allowable Distribution	Distributions Received	Balance
12/31/2003	$ 113,850	$ -	$ 113,850
12/31/2004	113,850	-	227,700
12/31/2005	113,850	-	341,550
12/31/2006	113,850	-	455,400
12/31/2007	113,850	-	569,250
12/31/2008	113,850	-	683,100
12/31/2009	113,850	-	796,950
12/31/2010	113,850	-	910,800
12/31/2011	113,850	-	1,024,650
12/31/2012	113,850	-	1,138,500
12/31/2013	113,850	-	1,252,350
12/31/2014	113,850	-	1,366,200
12/31/2015	113,850	-	1,480,050
12/31/2016	113,850	-	1,593,900
12/31/2017	113,850	-	1,707,750
7/31/2018	66,413	-	1,774,163
7/31/2019	113,850	-	1,888,013
7/31/2020	113,850	-	2,001,863
7/31/2021	113,850	-	2,115,713
7/31/2022	113,850	-	2,229,563
7/31/2023	113,850	-	2,343,413
7/31/2024	113,850	-	2,457,263
7/31/2025	113,850	-	2,571,113

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JULY 31, 2025

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTOR'S NAME	GRANTOR'S NUMBER		FEDERAL EXPENDITURE
U.S. Department of Agriculture					
Special Supplemental Nutrition Program for					
Women, Infants, and Children (WIC)	10.557	State of NH, Department of Health & Human Services	234NH703W1003	$ 1,129,667	
WIC - Breastfeeding Peer Counselor Program	10.557	State of NH, Department of Health & Human Services	234NH743W5003	90,825	
Women, Infants, and Children (WIC)	10.557	State of NH, Department of Health & Human Services	234NH703W1003	136,336	1,356,828
Child and Adult Care Food Program	10.558	State of NH, Department of Education			803,458
Food Distribution Cluster					
Commodity Supplemental Food Program	10.565	Community Action Program Belknap-Merrimack Counties	202220Y800544		30,189
Child Nutrition Cluster					
Summer Food Service Program for Children	10.559	State of NH, Department of Education			112,269
Total U.S. Department of Agriculture					**$ 2,302,744**
U.S. Department of Housing and Urban Development					
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Bureau of Homeless & Housing	E-21-DC-33-0001		$ 79,238
Continuum of Care	14.267	State of NH, DHHS, Bureau of Homeless & Housing	NH0096L1T002207		54,788
Housing Voucher Cluster					
Section 8 Housing Choice Voucher Program	14.871				108,726
Section 8 Project-Based Cluster					
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249				150,816
Total U.S. Department of Housing and Urban Development					**$ 393,568**
U.S. Department of Labor					
WIOA Cluster					
WIOA Adult Program	17.258	State of NH, Dept of Resources and Economic Development	02-6000618		1,751,057
Total U.S. Department of Labor					**$ 1,751,057**
U.S. Department of Education					
Adult Education - Basic Grants to States	84.002	State of NH, Department of Education	67011-ABE Manchester		53,506
Total U.S. Department of Education					**$ 53,506**
U.S. Department of Treasury					
Coronavirus State and Local Fiscal Recovery Fund (ARPA)	21.027	State of New Hampshire	SLFRP0145		88,064
Total U.S. Department of Treasury					**$ 88,064**

See Notes to Schedule of Expenditures of Federal Awards

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JULY 31, 2025

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTOR'S NAME	GRANTOR'S NUMBER		FEDERAL EXPENDITURE
Corporation for National and Community Services					
AmeriCorps Seniors Retired and Senior Volunteer Program (RSVP)	94.002		23SRFNH001		$ 136,561
Total Corporation for National and Community Services					**$ 136,561**
U.S. Department of Energy					
Weatherization Assistance for Low-Income Persons	81.042	State of NH, Office of Energy & Planning	DE-EE0009916		1,463,307
Total U.S. Department of Energy					**$ 1,463,307**
U.S. Department of Health & Human Services					
Aging Cluster					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	State of NH, Office of Energy & Planning	2501NHOASS		$ 14,714
Temporary Assistance for Needy Families - Strengthening Citizens and Businesses for Economic Mobility	93.558	State of NH, Department of Health & Human Services	22NHTANF	$ 940,234	
Temporary Assistance for Needy Families - Strengthening Citizens and Businesses for Economic Mobility	93.558	State of NH, Department of Health & Human Services	22NHTANF	84,151	1,024,385
Low Income Home Energy Assistance (Fuel Assistance)	93.568	State of NH, Office of Energy & Planning	2401NHLIEA	12,946,389	
Low Income Home Energy Assistance (BWP)	93.568	State of NH, Office of Energy & Planning	2401NHLIEA	504,843	13,451,232
Community Services Block Grant	93.569	State of NH, Department of Health & Human Services	2301NHCOSR		1,717,354
Community Services Block Grant - Discretionary	93.570	State of NH, Department of Health & Human Services	2301NHCOSR		84,089
Low Income Household Water Assistance Program (LIWAP)	93.499	State of NH, Office of Energy & Planning	2101NHLWC5/6		(3,679)
Head Start Cluster					
Head Start/Early Head Start	93.600		01CH01231502		7,760,905
CCDF Cluster					
Child Care and Development Block Grants (CCDBG)	93.575	State of NH, Department of Health & Human Services	2501NHCCDD	1,525,477	
CCDBG - Granite Steps for Quality	93.575	State of NH, Department of Health & Human Services		159,395	
Child Care Mandatory Matching Funds	93.596	State of NH, Department of Health & Human Services	2501NHCCDF	1,473,968	3,158,840
Total U.S. Department of Health & Human Services					**$ 27,207,840**
TOTAL					**$ 33,396,647**

See Notes to Schedule of Expenditures of Federal Awards

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JULY 31, 2025

NOTE 1 **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Southern New Hampshire Services, Inc. and Affiliate under programs of the federal government for the year ended July 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southern New Hampshire Services, Inc. and Affiliate, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

NOTE 3 **INDIRECT COST RATE**

Southern New Hampshire Services, Inc. and Affiliate has elected not to use the fifteen percent de minimis indirect cost rate (April 2024 revision) or the ten percent de minimis indirect cost rate (October 2023 revision) allowed under the Uniform Guidance.

NOTE 4 **SUBRECIPIENTS**

Southern New Hampshire Services, Inc. had no subrecipients for the year ended July 31, 2025.

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

To the Board of Directors of
Southern New Hampshire Services, Inc. and Affiliate

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Southern New Hampshire Services, Inc. and Affiliate (a New Hampshire nonprofit organization), which comprise the statements of financial position as of July 31, 2025 and 2024 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 23, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered Southern New Hampshire Services, Inc. and Affiliate's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southern New Hampshire Services, Inc. and Affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of Southern New Hampshire Services, Inc. and Affiliate's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Leone McDonnell & Roberts
Professional Association

Dover, New Hampshire
March 23, 2026

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

To the Board of Directors of
Southern New Hampshire Services, Inc. and Affiliate

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Southern New Hampshire Services, Inc. and Affiliate's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Southern New Hampshire Services, Inc. and Affiliate's major federal programs for the year ended July 31, 2025. Southern New Hampshire Services, Inc. and Affiliate's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Southern New Hampshire Services, Inc. and Affiliate complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended July 31, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Southern New Hampshire Services, Inc. and Affiliate and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program.

Our audit does not provide a legal determination of Southern New Hampshire Services, Inc. and Affiliate's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Southern New Hampshire Services, Inc. and Affiliate's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Southern New Hampshire Services, Inc. and Affiliate's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Southern New Hampshire Services, Inc. and Affiliate's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Leone McDonnell & Roberts
Professional Association

Dover, New Hampshire
March 23, 2026

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JULY 31, 2025

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the combined financial statements of Southern New Hampshire Services, Inc. and Affiliate were prepared in accordance with GAAP.

2. No significant deficiencies relating to the audit of the combined financial statements are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.

3. No instances of noncompliance material to the combined financial statements of Southern New Hampshire Services, Inc. and Affiliate, which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.

4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.* No material weaknesses are reported.

5. The auditors' report on compliance for the major federal award programs for Southern New Hampshire Services, Inc. and Affiliate expresses an unmodified opinion on all major federal programs.

6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).

7. The programs tested as major programs were: U.S. Department of Health and Human Services; Community Services Block Grant, ALN 93.569; Head Start Cluster – Head Start/Early Head Start, ALN 93.600, and U.S. Department of Agriculture; Child and Adult Care Food Program, ALN 10.558.

8. The threshold for distinguishing Type A and B programs was $1,001,899.

9. Southern New Hampshire Services, Inc. and Affiliate was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JULY 31, 2025

There were no findings or questioned costs that were required to be reported in the Schedule of Findings and Questioned Costs for the year ended July 31, 2024.

RYAN CLOUTHIER, CCAP

[redacted]

SUMMARY

Highly experienced and dedicated Certified Community Action Professional (CCAP) with extensive expertise in managing and directing operations within non-profit organizations. Proven track record of enhancing program efficiency and community impact through strategic leadership and innovative solutions.

WORK EXPERIENCE

Chief Executive Officer (CEO) - Southern New Hampshire Services, Inc. now dba Community Action Partnership Hillsborough and Rockingham Counties
2026-Present

- Develop and oversight of Community Action Partnership serving NH's two largest counties, Hillsborough and Rockingham.
- Cooperation and engagement with local, state and federal agencies and organizations on issues and programs that intersect with the Community Action Mission.
- Work to fundamentally enhance the delivery of service to targeted community to wrap services around clients and streamline the application process aby implementing the Whole Family Approach.

Chief Operating Officer (COO) - Southern New Hampshire Services, Inc. now dba Community Action Partnership Hillsborough and Rockingham Counties
2018-2026

- Oversee the daily operations and strategic initiatives of the organization to ensure alignment with the mission and goals.
- Lead and manage multiple departments to drive performance and program outcomes.
- Co-host monthly program budget meetings with Chief Fiscal Officer.
- Develop and implement policies and procedures that enhance operational efficiency and effectiveness.
- Collaborate with community stakeholders, partners, and funders to strengthen resources and support for the organization.

Operations Director, Energy and Housing Programs - *Southern New Hampshire Services, Inc.*
2016-2018

- Directed and managed the energy and housing programs, ensuring compliance with federal and state regulations.
- Streamlined program operations to improve service delivery and client satisfaction.
- Secured funding and resources to expand program reach and impact.

Energy Director- *Southern New Hampshire Services, Inc.*
2013-2016

- Developed and implemented energy programs aimed at reducing energy costs for low-income households.
- Collaborated with utility companies and government agencies to leverage resources and support.
- Monitored program performance and outcomes, making adjustments as needed to achieve goals.

Weatherization Director- *Southern New Hampshire Services, Inc.*
2006-2013

- Oversaw the weatherization program, improving energy efficiency for low-income homes.
- Managed a team of technicians and contractors to ensure high-quality service delivery.
- Conducted outreach and education efforts to inform the community about the benefits of weatherization.

Energy Auditor- *Southern New Hampshire Services, Inc.*
2004-2006

- Conduct field energy audits for low-income residential properties.
- Record data in both written and computerized formats to assess the cost-effectiveness of conservation measures.
- Generate work order specifications for contractors.
- Ensure quality installations and client satisfaction through proper follow-through and field inspection.

PROFESSIONAL HIGHLIGHTS

- NH Business Review 2024 Top 200 Influential Business Leader
- Numerous press articles related to Weatherization, including visits from the Assistant Secretary of Energy Efficiency from the Department of Energy and Vice President Joe Biden
- Member of the City of Nashua Healthy Homes Strategic Planning Committee
- Member of the City of Manchester Healthy Homes Strategic Planning Committee
- Class 2019 Leadership Greater Manchester
- Union Leader 2015 Class of 40 Under Forty
- Vice President of the Neighbor Helping Neighbor Board
- Member of the Energy Efficiency and Sustainable Energy Board
- Member of the Residential Ratepayers Advisory Board

EDUCATION

NH Community Technical College

CERTIFICATION

Certified Community Action Professional (CCAP)

SKILLS

- Leadership, Management and Supervision
- Budget Oversight, Forecasting, Analysis, Financial Management
- Program Development Implementation
- Stakeholder Engagement
- Grant Writing and Fundraising
- Compliance and Regulatory Affairs
- Operational Efficiency
- Community Engagement

Sarah T. Vanderhoof, RD, LD
[redacted]

EDUCATION:

Graduate Certificate in HR Management — May 2023
Southern New Hampshire University

Masters of Science in Management Health Care Administration — October 2015
Southern New Hampshire University

Dietetic Internship — August 2007
Keene State College, Keene, NH

Bachelor of Science in Health Science Option: Nutrition — May 2005, Summa Cum Laude
Keene State College, Keene, NH

Bachelor of Arts in Science of Health — February 2004
Wheaton College, Norton, MA

WORK EXPERIENCE:

SNHS, Inc. dba CAPHR– Hillsborough & Rockingham Counties, NH (January 2026 - Present)

- Chief Operating Officer: Oversee the daily operations and initiatives of the organization. Develop a performance culture to ensure effective management of a comprehensive array of over sixty programs. Communicate and promote the mission of Community Action.

SNHS, Inc. dba CAPHR– Child Development and Nutrition Programs Hillsborough & Rockingham Counties, NH (January 2023 – January 2026)

- Child Development and Nutrition Services Director: Oversee programs of Head Start, Early Head Start, Child Care, Child Care Resource & Referral, T.E.A.C.H. NH Early Childhood scholarship program, Department of Labor Early Childhood Apprenticeship, Statewide sponsorship of the USDA Child and Adult Care Food Program, Summer Food Service Program, Farmers Market, Community Gardens, Commodity Supplemental Food Program, The Emergency Food Assistance Program.

SNHS, Inc. – Child Development Program Hillsborough & Rockingham Counties, NH (February 2018 – December 2022)

- Child Development Director: Oversee programs of Head Start, Early Head Start, Child Care, Child Care Resource & Referral, T.E.A.C.H. NH Early Childhood scholarship program, Department of Labor Early Childhood Apprenticeship and Sponsorship of the USDA Child and Adult Care Food Program.

SNHS, Inc.-Child Dev. Program–Head Start/Early Head Start Hillsborough & Rockingham Counties, NH (July 2006-February 2018)

- Health & Nutrition Services Specialist: Oversee the health and nutrition content for the program which includes; nutrition assessments on the children and counseling with the families; review of child health forms; menu writing and accommodations for special diets; writing and/or reviewing of health plans for children with special conditions; supervision of classroom nutrition and health lessons; family night health and nutrition presentations; maintenance of the Health Services Advisory Committee; monitoring of health, nutrition, and safety for the program; writing of health, nutrition, and safety articles for the parent newsletter; USDA CACFP sponsor lead for SNHS; collaboration with community partners; participation in the SNHS, Inc. agency's safety committee; participation in SNHS, Inc, emerging leaders program.

Nutrition In Motion, LLC, Bedford, NH (January 2009- 2011)

- Consulting Dietitian

CERTIFICATIONS:

Licensed Dietitian, State of New Hampshire January 2009
Registered Dietitian December 2008

CERTIFICATES:

Allergy Diploma, AllergyUK, The School of Health & Social Care of University of Greenwich, October 2010
ADA Child and Adolescent Weight Management November 2007
First Aid & CPR 2025

COMMUNITY INVOLVEMENT:

Varsity Coach: Wilton-Lyndeborough Cross Country/ Track and Field (Fall 2022, 2023/Spring 2023, 2024)
NH Head Start Directors Association, Chair (February 2025 – February 2026)
NH Head Start Directors Association, Secretary (February 2018- January 2025)
NH WIC Directors Association, Secretary (February 2023-February 2026)
NH Health & Equity Partnership (January 2015 – 2019); Workgroup Co-chair; Representative Evaluation Committee
NH COPD State Plan Initiative (April 2014 – 2016);

- Preventing COPD: Community Mobilization, Advocacy, and Public Policy workgroup member.

A Child's Nature (May 2014- March 2018); Board of Directors, trustee
Let's Grow! New Hampshire (March 2011- February 2014); Consulting member (February 2014-2015)
Child Care Advisory Committee-Safety & Health Subgroup (2011 – 2012); NH Pediatric Health Assessment Form Development
Oral Health Advisory Committee, NH (October 2009 – 2012)
Stay'NHealthy-Growing Strong- Nashua Youth Overweight Collaborative, Nashua, NH (May 2008 & Sept 2008)

- Participated in two presentations to the Nashua area pediatric offices participating in the collaborative.

Nashua Lead Action Committee (2007 – 2009); community partner member

COMMITTEES MAINTAINED:

SNHS, Inc. CAPHR Head Start Policy Council (February 2018 – Present)

- Facilitate monthly meetings composed of parents and community members with a focus on program policy development and direction of the program.

SNHS Health Services Advisory Committee (July 2006 – February 2018)

- Recruit and facilitate meetings that look at community relevant health, oral health, mental health, and nutrition issues affecting the children and families who participate in the SNHS Child Development Program. Encourage participation of community members, families, and staff.

JAMES M. CHAISSON

SUMMARY

Dedicated accounting professional with 8 years of non-profit experience and over 20 years of broad experience in manufacturing, distribution, reorganizations, mergers and acquisitions, sales/operations planning/forecasting and establishing & monitoring performance metrics in a manufacturing environment. Experienced in private and public corporations, including 8 years in a private equity environment with a strong focus on equity sponsor communication and liquidity management. Complete knowledge of P&L, balance sheet, cash flow and cost accounting. Proven skills at staff leadership, training and development in a team environment. Professional Experience:

- Fiscal Officer in nonprofit organization
- Controller in MFG & Distribution
- Treasury and Cash Flow Management
- Financial & Capital Budgeting, Reporting & Control
- Cost Accounting Manager
- General Accounting Manager
- Business Performance Metric Establishment and Measurement

PROFESSIONAL EXPEIRENCE

Southern New Hampshire Services, Manchester, NH — **5/2009-Present**

Southern New Hampshire Services (SNHS) is a non-profit entity dedicated to helping people help themselves. SNHS accomplishes this through a variety of programs offered at centers, offices, clinics, and intake sights located throughout Rockingham and Hillsborough counties. The agency also oversees 29 housing facilities with approximately 1000 tenants. SNHS receives and administers $36 million in program funds annually with over 450 employees.

Chief Fiscal Officer — **1/2017 to Present**

- Oversee financial and accounting compliance, maintaining controls and managing potential business risks
- Manage the annual budget process and analysis activities
- Prepare presentation for Board of Directors meetings presenting the organization's financial results
- Develop and maintain banking relationships
- Manage the Annual Audit process

Senior Accountant — **5/2009-1/2017**

Assisted Fiscal Director in overseeing all fiscal and financial activities including compliance with federal, state, and funding source requirements as well as accordance with GAAP

- Developed and implemented indirect cost calculation and interfaced with General Ledger
- Monitored and prepared monthly budget vs actual reporting; recommended adjustments and forecast spending
- Created specialized reports for the individual grant's reporting requirements
- Designed allocation methods for properly billing shared items to individual grants and programs
- Prepared monthly agency program reviews for Fiscal Director's Board of Directors review

WOOD STRUCTURES, INC. Biddeford, ME 2001-4/2009

WSI, is a highly leveraged business owned by Roark Capital, a private equity fund, headquartered in Atlanta, GA. WSI is a $70 million manufacturer of roof and floor trusses, wall panels and a distributor of engineered wood products. The company's products are sold into the residential and light commercial construction markets

Controller **2006-4/2009**

Managed all aspects of accounting and reporting in a truss manufacturing plant as well as an engineered wood products distribution location that included 2 locations in Maine and 1 in Massachusetts.

- Calculated and assisted in the management of the company's covenants
- Worked closely with senior management during the sale process from the seller (Harbour Group) and buyer (Roark Capital)
- Identified cost drivers and implemented process changes to reduce the monthly closing cycle from 18 to 5 days
- Conducted monthly reviews with the managers on financial results and measurement
- Oversaw the payroll function of 160+ employees

Accounting Manager **2001-2006**

Recruited to company to restore financial controls and establish best practices concerning both general ledger and cost accounting processes. Responsible for overseeing the accounting of 2 locations in Maine and 1 in Alabama.

- Established the reporting protocols of the company used by both equity sponsors
- Educated, motivated and developed a staff of 3 to succeed in their rolls of financial responsibility
- Identified and implemented processes and procedures for all intercompany sales, transfers, consolidation and eliminations
- Streamlined the payroll process that included transferring to an external supplier (ADP), which reduced cost by 40%
- Conducted physical inventories and defined their policies and procedure at all locations.

VISHAY SPRAGUE, Sanford, ME 1978-2001

Vishay Sprague is a division of Vishay Intertechnology Inc. (NYSEL VSH) a global manufacturer of discrete semiconductors and passive electronic components. The Sprague Division manufactures solid tantalum capacitors with annual sales of $200 million and 1,400 employees.

Plant Cost Accounting Manager **1997-2001**
Division General Accounting Manager **1995-1997**
Division Operation Accountant **1989-1995**
Division Fixed Asset Accountant **1987-1989**
Master Engineering Technician **1984-1987**
Lead Production Technician **1978-1984**

EDUCATION

NASSON COLLEGE Springvale, ME
B.S. in Business Administration

Reg. No.	Charity Name	Address	City	State	Zip	Status	Report Due
35387	Southern New Hampshire Recreational Soccer League	35 Old Auburn Road	Derry	NH	03038	G	12/15/2026
31039	Southern New Hampshire Scholarship Foundation	5 Aston Avenue	Nashua	NH	03063	X	5/15/2019
2842	Southern NH Dressage and Combined Training Association, Inc.	29 Random RoadRye, NH 03870	Rye	NH	03870	G	5/15/2027
6207	Southern NH Families Into Nashua Swimming	8 Pinebrook Road	Nashua	NH	03062	X	1/15/2018
19266	Southern NH Health System, Inc.	8 Prospect Street PO Box 2014	Nashua	NH	03061-2014	G	11/15/2026
6282	Southern NH Medical Center	8 Prospect Street PO Box 2014	Nashua	NH	03061-2014	G	11/15/2026
1830	Southern NH Services, Inc.	PO Box 5040	Manchester	NH	03108	G	6/15/2026
[redacted]							
14678	Southern NH Spirit Boosters, Inc.	PO Box 342	Pelham	NH	03076-0342	G	11/15/2026
6687	Southern NH University	2500 North River Road	Manchester	NH	03106-1045	G	11/14/2026
13209	Southern NH University Student Government Association	2500 North River Road	Manchester	NH	03106-1045	G	11/15/2026
30685	Southern NH Women's Softball League	PO Box 230	Nashua	NH	03061	X	5/15/2021
14375	Southern NH Youth Ballet	PO Box 10286	Bedford	NH	03110	G	12/15/2026
6039	Southern NH Youth Lacrosse League	PO Box 297	Nashua	NH	03061	G	5/15/2027
4653	Southern Poverty Law Center	400 Washington Avenue	Montgomery	AL	36104	G	3/15/2027
33338	Southern Smoke Foundation	1302 Waugh DriveHouston, TX 77019	Houston	TX	77019	G	5/15/2027
32836	Southern Sudan Hope	95 Eddy Road #613	Manchester	NH	03102	X	11/15/2021
14920	Southern Utah Wilderness Alliance	425 East 100 South	Salt Lake City	UT	84111	G	11/15/2026
34615	Southside Middle School PTA (SMS PTA)	300 South Jewett Street	Manchester	NH	03103	X	11/15/2025
35727	Southwest Airlines Employees Catastrophic Assistance Charity	PO Box 36611 ROOM HDQ1CA	Dallas	TX	75235	G	11/15/2026
11096	Southwest Research Institute	6220 Culebra Road	San Antonio	TX	78238-5166	G	8/15/2026
1387	Southwestern Community Services, Inc.	PO Box 603 63 Community Way	Keene	NH	03431	G	10/15/2026
30322	Southwestern Medical Foundation	3889 Maple Avenue, Suite 100	Dallas	TX	75219	G	5/15/2027
32838	SOWW Corp	820 67th Avenue North #7508	Myrtle Beach	SC	29572	X	11/15/2022
32728	Spare Key	480 Broadway StreetSt. Paul, MN 55101	St. Paul	MN	55101	G	5/15/2027
33098	SPARK Academy of Advanced Technologies	1066 Front Street Suite 300	Manchester	NH	03102	G	11/15/2026
31868	Spark the Dream	72 Concord Street	Manchester	NH	03101	G	11/15/2026
14112	Spark! Community Center, Inc.	49 Hanover Street, #4	Lebanon	NH	03766	G	5/15/2027
15304	SparkForce NFP	2135 Point Boulevard	Elgin	IL	60123	G	5/15/2027
2845	Spartan Junior Drum and Bugle Corps, Inc.	166 DW Highway, A2Nashua, NH 03060	Nashua	NH	03060	G	2/14/2027
35009	Spartan Performing Arts Supporters	300 South Jewett Street	Manchester	NH	03103	G	12/31/2026
33976	Spartans4Life Foundation	3 Bradley Lane	North Hampton	NH	03862	G	5/15/2027