

STATE OF NEW HAMPSHIRE

COMMISSIONER
Jared S. Chicoine

DEPUTY COMMISSIONER
Christopher J. Ellms, Jr.



DEPARTMENT OF ENERGY
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

DEC09'22 AM 10:47 RCVD

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TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-3670

FAX No. 271-1526

Website:
www.energy.nh.gov

December 21, 2022

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

REQUESTED ACTION

1) Authorize the New Hampshire Department of Energy (NH DOE) to amend a contract with Community Action Program Belknap-Merrimack Counties Inc., (VC #177203), Concord, NH, by increasing the price limitation by \$95,200 from \$5,488,420 to \$5,583,620, with the price limitation for the State Emergency Fuel Assistance Program (SEFAP) increasing by \$68,000 from \$3,920,300 to \$3,988,300 and for the State Supplemental Electric Benefit Program (SSEBP) increasing by \$27,200 from \$1,568,120 to \$1,595,320, effective upon Governor and Executive Council approval through June 30, 2023. There is no time extension being requested for this contract

This contract was originally approved by Governor and Executive Council on October 4, 2022 (Item #20E).
100% General Funds

Funds to support this request are available in the following account in FY 2023.

<u>NH Department of Energy, State Emergency Fuel Asst Prog</u>	<u>FY 2023</u>
02-52-52-520010-37830000	
074-500587 Grants for Pub Assist & Relief	\$68,000
<u>NH Department of Energy, State Sup Electric Ben Prog</u>	
02-52-52-520010-38870000	
074-500587 Grants for Pub Assist & Relief	\$27,200
<u>Total:</u>	\$95,200

2) Further request authorization to increase the advance to Community Action Program Belknap-Merrimack Counties, Inc. by \$95,200 from \$548,842 to \$644,042 from the above-referenced contract amount.

EXPLANATION

State Emergency Fuel Assistance Program (SEFAP) and State Supplemental Electric Benefit Program (SSEBP) were recently created by the legislature in HB 2023. Both are statewide programs designed to make winter heating

and electricity respectively more affordable for income-qualified New Hampshire families. Program funds are targeted to moderate income households, those with an annual income in excess of 60 percent to at or below 75 percent of the State Median Income (\$74,942 to \$93,676 for a family of four). The benefit per eligible household is set in statute at \$450 for SEFAP and \$200 for SSEBP. The legislature appropriated \$25 million in General Funds for SEFAP and \$10 million in General Funds for SSEBP. Both programs will accept applications until April 30, 2023.

This amendment will allow Community Action Program Belknap-Merrimack Counties Inc. to undertake outreach efforts statewide on behalf of all five of the CAAs in the state. Outreach will consist of radio, digital, and television advertisements.

The proposed advance of funds in the contracts will enable the Community Action Program Belknap-Merrimack Counties to pay for the advertising without having to draw down on funds contracted for their incurred administrative expenses.

Respectfully submitted,



Jared Chicoine
Commissioner

NEW HAMPSHIRE DEPARTMENT OF ENERGY

SUBJECT: STATE EMERGENCY FUEL ASSISTANCE PROGRAM (SEFAP) AND STATE
SUPPLEMENTAL ELECTRIC BENEFIT PROGRAM (SSEBP)

AMENDMENT # 1

This Agreement (hereinafter called the "Amendment") dated this 17 day of November, 2022 is by the State of New Hampshire, acting by and through its NH Department of Energy (hereinafter referred to as the State") and Community Action Program Belknap-Merrimack Counties, Inc., P.O. Box 1016, 2 Industrial Park Drive, Concord, Merrimack County, NH 03302 (hereinafter the "Contractor").

WHEREAS, pursuant to an Agreement (hereinafter called the "Agreement") approved by the Governor and Council as Item 20E on October 4, 2022 the Contractor agreed to perform certain services upon the terms and conditions specified in the Agreement and in consideration of payment by the State of certain sums as specified therein; and

WHEREAS, The Contractor and the State have agreed to amend the Agreement in certain respects;

NOW THEREFORE, in consideration of the foregoing, and the covenants and conditions contained in the Agreement and set forth herein, the parties agree as follows:

1. Amendment and Modification of Agreement. The Agreement is amended and modified as follows:

A) Price Limitation: Amend Subparagraph 1.8 of the Agreement by striking the current sum of \$5,488,420.00 and inserting in place thereof the total sum of \$5,583,620.00.

B) Exhibit C - Payment Terms: Amend Exhibit C, first paragraph by striking the current sum of \$3,920,300.00 and inserting in place thereof the total sum of \$3,988,300.00.

Amend Exhibit C, second paragraph by striking the current sum of \$338,300.00 and inserting for administrative costs \$406,300.00.

Amend Exhibit C, second paragraph by striking the current sum of \$33,830.00 and inserting for cash advance \$101,830.00.

Amend Exhibit C, third paragraph by striking the current sum of \$1,568,120.00 and inserting in place thereof the total sum of \$1,595,320.00.

CONTRACT AMENDMENT NH DEPT. OF ENERGY

Amend Exhibit C, fourth paragraph by striking the current sum of \$135,320.00 and inserting for administrative costs \$162,520.00

Amend Exhibit C, fourth paragraph by striking the current sum of \$13,532.00 and inserting for cash advance \$40,732.00

- 2. **Effective Date of Amendment:** This Amendment shall take effect upon Governor and Executive Council approval.
- 3. **Continuance of Agreement:** Except as specifically amended and modified by the Terms and Conditions of this Amendment, obligations of the parties hereunder shall remain in full force and effect in accordance with the terms and conditions set forth in the Agreement as it existed immediately prior to this Amendment.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.

STATE OF NEW HAMPSHIRE
NH Department of Energy

By: [Signature]
Jared Chicoine, Commissioner

Community Action Program Belknap-Merrimack Counties, Inc.

By: [Signature] CEO
(Name & Title of Person Authorized to Sign)

State of New Hampshire
County of Merrimack

On this 17 day of November, 2022, before me, Kathy Howard, the undersigned officer, personally appeared Jeanne Agri, who acknowledged himself/herself to be the CEO of Community Action Program Belknap-Merrimack Counties, Inc., a corporation, and that he/she being authorized so to do, executed the foregoing instrument for the purposes contained therein

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[Signature]
Notary Public/Justice of the Peace

My Commission expires: KATHY L. HOWARD Notary Public, NH
My Commission Expires October 17, 2023

CONTRACT AMENDMENT NH DEPT. OF ENERGY

Approved as to form, execution and substance:

OFFICE OF THE ATTORNEY GENERAL

By: [Signature]
Assistant Attorney General

Date: 11/22/2022

I hereby certify that the foregoing contract was approved by the Governor and Council of the State of New Hampshire at their meeting on _____, 2022.

OFFICE OF THE SECRETARY OF STATE

By: _____

Title: _____

State of New Hampshire

Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that COMMUNITY ACTION PROGRAM BELKNAP AND MERRIMACK COUNTIES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 28, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 63021

Certificate Number: 0005774597



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 9th day of May A.D. 2022.

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

David M. Scanlan
Secretary of State



**COMMUNITY ACTION PROGRAM
BELKNAP-MERRIMACK COUNTIES, INC.**
EMPOWERING COMMUNITIES SINCE 1965



CERTIFICATE OF AUTHORITY

I, Dennis Martino, President, Board of Directors, hereby certify that:

1. I am a duly elected officer of Community Action Program Belknap-Merrimack Counties, Inc.
2. The following is a true copy of a vote taken at a meeting of the Board of Directors, duly called and held on January 13, 2022, at which a quorum of the Directors were present and voting.

VOTED: That *Jeanne Agri, Chief Executive Officer/Executive Director, Michael Tabory, Chief Operating Officer/Deputy Director, Jill Lesmerises, Chief Fiscal Officer, Steven Gregoire, Budget Analyst, Dennis Martino, President, Board of Directors* are duly authorized on behalf of Community Action Program Belknap-Merrimack Counties, 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: 11/17/2022

Signature of Elected Officer

Name: Dennis Martino

Title: President, Board of Directors

Rev. 1/13/2022
kh:COA 2022 - dennis martino

COMMISSIONER
Jared S. Chicoine

SEP26'22 AM 9:22 RCUD Access: Relay NH
1-800-735-2864

DEPUTY COMMISSIONER
Christopher J. Elms, Jr.

Tel. (603) 271-3870

FAX No. 271-1526

Website:
www.energy.nh.gov



DEPARTMENT OF ENERGY
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

20E

September 23, 2022

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

REQUESTED ACTION

1) Authorize the New Hampshire Department of Energy (NH DOE) to enter into a **SOLE SOURCE** contract with Community Action Program Belknap-Merrimack Counties Inc., (VC #177203), Concord, NH, in the amount of \$5,488,420, with \$3,920,300 for the State Emergency Fuel Assistance Program (SEFAP) and \$1,568,120 for the State Supplemental Electric Benefit Program (SSEBP), effective upon Governor and Executive Council approval through June 30, 2023. **100% General Funds**

Funds to support this request are anticipated to be available in the following account in FY 2023.

<u>NH Department of Energy, State Emergency Fuel Asst Prog</u>	<u>FY 2023</u>
02-52-52-520010-XXXX0000	
074-500587 Grants for Pub Assist & Relief	\$3,920,300
<u>NH Department of Energy, State Sup Electric Ben Prog</u>	
02-52-52-520010-XXXX0000	
074-500587 Grants for Pub Assist & Relief	\$1,568,120
Total:	\$5,488,420

2) Further request authorization to advance Community Action Program Belknap-Merrimack Counties, Inc. \$548,842 from the above-referenced contract amount.

EXPLANATION

This contract is **SOLE SOURCE** based on the historical performance of the Community Action Agencies (CAA) in other state and federal assistance programs, their outreach and client service capabilities, the synergies that will benefit SEFAP as a result of the five statewide CAAs' implementation of several other federal and state assistance programs, and the infrastructure that is already in place to deliver necessary services. NH DOE proposes to continue to subcontract with the five CAAs who have successfully provided assistance program services at the local level for more than three decades.

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
September 23, 2022
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State Emergency Fuel Assistance Program (SEFAP) and State Supplemental Electric Benefit Program (SSEBP) were recently created by the legislature in HB 2023. Both are statewide programs designed to make winter heating and electricity respectively more affordable for income-qualified New Hampshire families. Program funds are targeted to moderate income households, those with an annual income in excess of 60 percent to at or below 75 percent of the State Median Income (\$74,942 to \$93,676 for a family of four). The benefit per eligible household is set in statute at \$450 for SEFAP and \$200 for SSEBP. The legislature appropriated \$25 million in General Funds for SEFAP and \$10 million in General Funds for SSEBP. Both programs will accept applications until April 30, 2023.

The proposed advance of funds in the contracts will enable the CAAs to mobilize to set up the program as well as operate the program between monthly reimbursements from the State.

Respectfully submitted,



Jared Chicoine
Commissioner




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

AGREEMENT

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

GENERAL PROVISIONS

I. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Energy		1.2 State Agency Address 21 So. Fruit St., Ste. 10 Concord, New Hampshire 03301	
1.3 Contractor Name Community Action Program Belknap-Merrimack Counties, Inc.		1.4 Contractor Address P.O. Box 1016, Concord, NH 03301	
1.5 Contractor Phone Number (603) 225-3295	1.6 Account Number 02-52-52-520010-XXXX0000	1.7 Completion Date June 30, 2023	1.8 Price Limitation \$5,488,420
1.9 Contracting Officer for State Agency Amanda O. Noonan		1.10 State Agency Telephone Number (603) 271-1164	
1.11 Contractor Signature  Date: 9-21-2022		1.12 Name and Title of Contractor Signatory Jeanne Agn, Executive Director	
1.13 State Agency Signature  Date: 9/21/22		1.14 Name and Title of State Agency Signatory Jared S. Chicoine, Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) N/A By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: 9/25/2022			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

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

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

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

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

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

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

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

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

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

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

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

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

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

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

9. TERMINATION

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed; and the contract price earned; to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and

submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. Change of Control means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

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

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

18. **CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. **CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

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

21. **HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

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

23. **SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

EXHIBIT A

SPECIAL PROVISIONS

1. On or before the date set forth in Block 1.7 of the General Provisions, the Contractor shall deliver to the State an independent audit of the Contractor's entire agency by a qualified independent auditor in good standing with the state and federal government.
2. This audit shall be conducted in accordance with the audit requirements of Office of Management and Budget (OMB) Circular 2 CFR 200, Subpart F- Audit Requirements. The State Emergency Fuel Assistance Program (SEFAP) and the State Supplemental Electric Benefit Program (SSEBP) shall be considered "major programs" for purposes of this audit.
3. This audit report shall include a schedule of revenues and expenditures by contract or grant number of all expenditures during the Contractor's fiscal year. The Contractor shall utilize a competitive bidding process to choose a qualified financial auditor at least every four years.
4. Delete the following from paragraph 9.2 of the General Provisions: "The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in Exhibit B."
5. The costs charged under this contract shall be determined as allowable under the cost principles detailed in 2 CFR 200 Subpart E - Cost Principles.
6. Program and financial records pertaining to this contract shall be retained by the Agency for 3 (three) years from the date of submission of the final expenditure report.
7. **CLOSE OUT OF CONTRACT.** All final required reports and reimbursement requests shall be submitted to the State within thirty (30) days of the completion date (Agreement Block 1.7).
8. **ADVANCES.** SEFAP and SSEBP advance funds must be used solely for appropriate SEFAP and SSEBP funds, respectively. SEFAP and SSEBP advance program funds are to be used only for SEFAP and SSEBP vendor payments, respectively. All SEFAP and SSEBP payments, including advance program payments, must be transferred from the Community Action Agency's general operating account into specific SEFAP and SSEBP accounts within 48 hours after being received electronically from the State. CAAs must submit the bank account numbers of the designated bank accounts for the advance funds to NH DOE prior to the electronic submission of the funds to the CAA. Unspent advance program funds must remain in the SEFAP and SSEBP dedicated accounts at all times and cannot be comingled with any other CAA funds. CAAs are required to submit complete electronic copies of the SEFAP- and SSEBP- dedicated bank account statements to NH DOE on a monthly basis.

EXHIBIT B

SCOPE OF SERVICES

The Contractor agrees to provide State Emergency Fuel Assistance Program (SEFAP) and State Supplemental Electric Benefit Program (SSEBP) services in accordance with 2022 N.H. Laws Chapter 346 to qualified median income households, and agrees to perform all such services and other work necessary to operate the programs in accordance with guidance as determined by NH DOE.

SEFAP and SSEBP services will be defined to include the following categories:

1. Outreach, eligibility, determination and certification of SEFAP and SSEBP applicants.
2. Payments directly to energy vendors:
 - a. Reimbursement for goods and services delivered
 - b. Lines of credit
 - c. Budget plan payments
3. SEFAP payments directly to landlords via vouchers for renters who pay their energy costs as undefined portions of their rent.
4. SSEBP payments may only be made to households that have an electric account in their name and may not be made if they pay their electric bill as a portion of their rent.
5. Payments directly to clients only when deemed appropriate and necessary as defined in the Fuel Assistance Procedures Manual.
6. Emergency Assistance in the form of reimbursements for goods or services delivered in accordance with paragraphs 3 and 4 above.

EXHIBIT C
PAYMENT TERMS

In consideration of the satisfactory performance of the services as determined by the State, the State agrees to pay over to the Contractor the sum of \$3,920,300.00 (which hereinafter is referred to as the "SEFAP Grant").

Upon the Governor and Executive Council approval of a warrant, the following SEFAP Grant funds will be authorized:

\$338,300.00 for administration costs, of which \$33,830.00 will be issued as a cash advance;
\$3,582,000 for program costs, of which \$358,200.00 will be issued as a cash advance

In consideration of the satisfactory performance of the services as determined by the State, the State agrees to pay over to the Contractor the sum of \$1,568,120 (which hereinafter is referred to as the "SSEBP Grant").

Upon the Governor and Executive Council approval of a warrant, the following SSEBP Grant funds will be authorized:

\$135,320.00 for administration costs, of which \$13,532.00 will be issued as a cash advance;
\$1,432,800.00 for program costs, of which \$143,280.00 will be issued as a cash advance;

The dates for this contract are upon Governor and Council approval through June 30, 2023.

Drawdowns from the balance of funds will be made to the Contractor only after written documentation of cash need is submitted to the State. Disbursement of the grants shall be in accordance with procedures established by the State.



**COMMUNITY ACTION PROGRAM
BELKNAP-MERRIMACK COUNTIES, INC.**
EMPOWERING COMMUNITIES SINCE 1965



CERTIFICATE OF AUTHORITY

I, Dennis Martino, President, Board of Directors, hereby certify that:

1. I am a duly elected officer of Community Action Program Belknap-Merrimack Counties, Inc.
2. The following is a true copy of a vote taken at a meeting of the Board of Directors, duly called and held on January 13, 2022, at which a quorum of the Directors were present and voting.

VOTED: That *Jeanne Agri, Chief Executive Officer/Executive Director, Michael Tabory, Chief Operating Officer/Deputy Director, Jill Lesmerises, Chief Fiscal Officer, Steven Gregoire, Budget Analyst, Dennis Martino, President, Board of Directors* are duly authorized on behalf of Community Action Program Belknap-Merrimack Counties, 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: 9/22/2022

Signature of Elected Officer

Name: Dennis Martino

Title: President, Board of Directors

Rev. 1/13/2022
NHCOA 2022 - dennis martino

State of New Hampshire
Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that COMMUNITY ACTION PROGRAM: BELKNAP AND MERRIMACK COUNTIES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 28, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 63021

Certificate Number: 0005774597



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 9th day of May A.D. 2022.

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

David M. Scanlan
Secretary of State



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/07/2022

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 FIA/Cross Insurance 1100 Elm Street Manchester NH 03101		CONTACT NAME: Andrea Nicklin PHONE (A/C, No, Ext): (603) 688-3218 FAX (A/C, No): (603) 645-4331 E-MAIL ADDRESS: manch.certs@crossagency.com	
INSURED Community Action Program Belknap-Merrimack Counties Inc. P. O. Box 1010 Concord NH 03302		INSURER(S) AFFORDING COVERAGE INSURER A: Selective Insurance Co. of SC NAIC # 19259 INSURER B: Granite State Health Care and Human Services Self- INSURER C: Federal Ins Co 20281 INSURER D: INSURER E: INSURER F:	

COVERAGES CERTIFICATE NUMBER: 21-22 AN/22-23 WC & D&O 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.


WEN LTR	TYPE OF INSURANCE	ADDL SUBR (IND) WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:		S2509940	10/01/2021	10/01/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMPROP AGG \$ 3,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY		S2509940	10/01/2021	10/01/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		S2509940	10/01/2021	10/01/2022	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (If industry in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	HCHS20220000029 (3a) NH	01/01/2022	01/01/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER EL EACH ACCIDENT \$ 1,000,000 EL DISEASE - EA EMPLOYEE \$ 1,000,000 EL DISEASE - POLICY LIMIT \$ 1,000,000
C	Directors & Officers Liability		82471794	04/01/2022	04/01/2023	Limit \$1,000,000 Deductible \$5,000

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

Refer to policy for exclusions/endorsements and special provisions.

CERTIFICATE HOLDER

CANCELLATION

State of New Hampshire; Dept of Energy 21 South Fruit Street Suite 10 Concord NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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Effective May 24, 2022



COMMUNITY ACTION PROGRAM
BELKNAP-MERRIMACK COUNTIES, INC.
EMPOWERING COMMUNITIES SINCE 1965



BOARD OF DIRECTORS

Dennis Martino, <i>President</i>	Tracy Vergason, <i>Director</i>
Chris Pyles, <i>Vice President</i>	Theresa M. Cromwell, <i>Director</i>
Safiya Wazir, <i>Treasurer</i>	Kathy Goode, <i>Director</i>
A. Bruce Carri, <i>Secretary/Clerk</i>	Sara A. Lewko, <i>Director</i>
Heather Brown, <i>Director</i>	David Siff, Esq., <i>Director</i>
Ashley Reed, <i>Director</i>	David Croft, <i>Director</i>

Current fiscal year (3/1/22 – 2/28/23) board meetings – 3/10/22, 5/12/22, 9/8/22, 11/10/22, 1/12/23

Financial Statements

**COMMUNITY ACTION PROGRAM
BELKNAP - MERRIMACK COUNTIES, INC.**

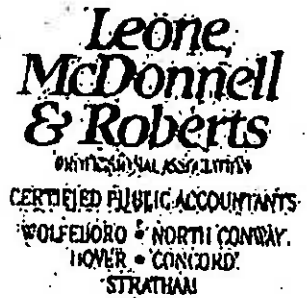
**FOR THE YEARS ENDED FEBRUARY 28, 2021 AND
FEBRUARY 29, 2020 AND
INDEPENDENT AUDITORS' REPORT AND
REPORTS ON COMPLIANCE AND INTERNAL CONTROL**

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

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To the Board of Directors
Community Action Program Belknap-Merrimack Counties, Inc.
Concord, New Hampshire

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Community Action Program Belknap-Merrimack Counties, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of February 28, 2021 and February 29, 2020, and the related consolidated statements of activities, functional expenses and cash flows, and notes to the consolidated financial statements for the years then ended.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Action Program, Belknap-Merrimack Counties, Inc. as of February 28, 2021, and the changes in net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (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 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2022, on our consideration of Community Action Program, Belknap-Merrimack Counties, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Action Program, Belknap-Merrimack Counties, Inc.'s internal control over financial reporting and compliance.

Leone McDonnell & Kokute
Professional Association

Concord, New Hampshire
February 14, 2022

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FEBRUARY 28, 2021 AND FEBRUARY 29, 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 899,766	\$ 549,028
Accounts receivable	3,762,809	2,656,855
Inventory	55,895	22,916
Prepaid expenses	73,709	44,159
Investments	<u>127,996</u>	<u>110,078</u>
Total current assets	<u>4,920,175</u>	<u>3,283,034</u>
PROPERTY		
Land, buildings and improvements	7,148,516	5,544,770
Equipment, furniture and vehicles	6,117,020	5,852,539
Construction in process	<u>18,126</u>	<u>-</u>
Total property	<u>13,281,662</u>	<u>11,197,309</u>
Less accumulated depreciation	<u>7,839,290</u>	<u>6,695,428</u>
Property, net	<u>5,642,372</u>	<u>4,501,881</u>
OTHER ASSETS		
Cash escrow and reserve funds	65,437	-
Tenant security deposits	6,881	-
Due from related party	<u>-</u>	<u>139,441</u>
Total other assets	<u>72,318</u>	<u>139,441</u>
TOTAL ASSETS	<u>\$ 10,634,865</u>	<u>\$ 7,924,356</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of notes payable	\$ 213,444	\$ 201,245
Line of credit	380,028	550,000
Accounts payable	1,525,832	1,160,635
Accrued expenses	788,951	757,999
Refundable advances	<u>1,038,941</u>	<u>1,084,516</u>
Total current liabilities	<u>3,945,196</u>	<u>3,754,395</u>
LONG TERM LIABILITIES		
Paycheck Protection Program loan	1,935,300	-
Notes payable, less current portion shown above	939,897	814,253
Tenant security deposits	<u>6,881</u>	<u>-</u>
Total liabilities	<u>6,827,074</u>	<u>4,568,648</u>
NET ASSETS		
Without donor restrictions	2,758,959	2,992,894
With donor restrictions	<u>1,048,832</u>	<u>382,814</u>
Total net assets	<u>3,807,791</u>	<u>3,355,708</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,634,865</u>	<u>\$ 7,924,356</u>

See Notes to Consolidated Financial Statements

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED FEBRUARY 28, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Grant awards	\$ 20,625,325	\$ -	\$ 20,625,325
Rental income	123,657	-	123,657
Other funds	2,375,403	3,733,525	6,108,928
In-kind	-490,035	-	-490,035
United Way	5,297	-	5,297
Interest income	383	-	383
Realized gain on sale of equipment	3,500	-	3,500
Total revenues and other support	23,623,600	3,733,525	27,357,125
NET ASSETS RELEASED FROM RESTRICTIONS	3,047,507	(3,047,507)	-
Total	26,671,107	686,018	27,357,125
EXPENSES -			
Salaries and wages	9,010,668	-	9,010,668
Payroll taxes and benefits	2,538,067	-	2,538,067
Travel	145,913	-	145,913
Occupancy	1,429,443	-	1,429,443
Program services	11,796,741	-	11,796,741
Other costs	1,599,972	-	1,599,972
Depreciation	458,009	-	458,009
In-kind	490,034	-	490,034
Total expenses	27,468,847	-	27,468,847
CHANGE IN NET ASSETS BEFORE GAIN ON INVESTMENT IN LIMITED PARTNERSHIP	(797,740)	686,018	(111,722)
GAIN ON INVESTMENT IN LIMITED PARTNERSHIP	64,397	-	64,397
CHANGE IN NET ASSETS	(733,343)	686,018	(47,325)
NET ASSETS, BEGINNING OF YEAR	2,982,894	362,814	3,355,708
NET ASSETS TRANSFERRED FROM LIMITED PARTNERSHIP	499,408	-	499,408
NET ASSETS, END OF YEAR	\$ 2,758,959	\$ 1,048,832	\$ 3,807,791

See Notes to Consolidated Financial Statements

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED FEBRUARY 29, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Grant awards	\$ 18,276,247	\$ -	\$ 18,276,247
Other funds	2,437,366	2,986,021	5,423,387
In-kind	920,759	-	920,759
United Way	11,938	-	11,938
	<hr/>	<hr/>	<hr/>
Total revenues and other support	21,646,310	2,986,021	24,632,331
NET ASSETS RELEASED FROM RESTRICTIONS			
	<hr/>	<hr/>	<hr/>
Total	3,130,622	(3,130,622)	-
	<hr/>	<hr/>	<hr/>
Total	24,776,932	(144,601)	24,632,331
EXPENSES			
Salaries and wages	9,213,867	-	9,213,867
Payroll taxes and benefits	2,508,455	-	2,508,455
Travel	322,894	-	322,894
Occupancy	1,393,046	-	1,393,046
Program services	9,231,697	-	9,231,697
Other costs	1,634,451	-	1,634,451
Depreciation	401,166	-	401,166
In-kind	920,759	-	920,759
	<hr/>	<hr/>	<hr/>
Total expenses	25,626,335	-	25,626,335
CHANGE IN NET ASSETS	(849,403)	(144,601)	(994,004)
NET ASSETS, BEGINNING OF YEAR	<hr/>	<hr/>	<hr/>
	3,842,297	507,415	4,349,712
NET ASSETS, END OF YEAR	<hr/>	<hr/>	<hr/>
	\$ 2,992,894	\$ 362,814	\$ 3,355,708

See Notes to Consolidated Financial Statements

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED FEBRUARY 28, 2021

	<u>Program</u>	<u>Management</u>	<u>Total</u>
Salaries and wages	\$ 8,423,288	\$ 587,382	\$ 9,010,668
Payroll taxes and benefits	2,308,290	229,777	2,538,067
Travel	145,104	809	145,913
Occupancy	1,293,121	136,322	1,429,443
Program Services	11,798,741		11,798,741
Other costs:			
Accounting fees		80,013	80,013
Legal fees	19,604		19,604
Supplies	185,804	30,710	196,514
Postage and shipping	56,087	8,986	65,073
Equipment rental and maintenance	6,736		6,736
Printing and publications	34,562	3,551	38,113
Conferences, conventions and meetings	632		632
Interest	39,595	22,938	62,533
Insurance	123,704	27,528	151,232
Membership fees	10,040	7,019	17,059
Utility and maintenance	190,837	62,549	253,386
Computer services	47,178	8,660	55,838
Other	584,982	68,257	653,239
Depreciation	458,009		458,009
In-kind	490,034		490,034
Total functional expenses	\$ 28,194,346	\$ 1,274,501	\$ 27,468,847

See Notes to Consolidated Financial Statements

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED FEBRUARY 29, 2020**

	<u>Program</u>	<u>Management</u>	<u>Total</u>
Salaries and wages	\$ 8,797,236	\$ 416,631	\$ 9,213,867
Payroll taxes and benefits	2,468,991	39,464	2,508,455
Travel	322,870	24	322,894
Occupancy	1,225,265	167,781	1,393,046
Program Services	9,231,697	-	9,231,697
Other costs:			
Accounting fees	475	60,771	61,246
Legal fees	-	9,261	9,261
Supplies	214,778	31,442	246,220
Postage and shipping	19,055	34,389	53,454
Equipment rental and maintenance	3,627	275	3,902
Printing and publications	27,109	6,562	33,671
Conferences, conventions and meetings	27,248	4,662	31,910
Interest	57,543	15,712	73,255
Insurance	133,619	5,949	139,568
Membership fees	12,862	7,586	20,448
Utility and maintenance	170,336	48,114	218,450
Computer services	51,908	-	51,908
Other	883,856	27,502	911,358
Depreciation	401,168	-	401,168
In-kind	920,759	-	920,759
Total functional expenses	\$ 24,750,200	\$ 876,135	\$ 25,626,335

See Notes to Consolidated Financial Statements

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 28, 2020.**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (47,325)	\$ (994,004)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	458,009	401,168
Interest on deferred financing costs	484	
Realized gain on sale of equipment	(3,500)	
Gain on investment in limited partnership	(64,397)	
Decrease (increase) in current assets:		
Accounts receivable	(1,203,458)	(235,814)
Inventory	(32,979)	(116)
Prepaid expenses	(18,723)	8,473
Decrease (increase) in current liabilities:		
Accounts payable	358,371	91,470
Accrued expenses	23,890	(308,749)
Refundable advances	(47,575)	88,184
NET CASH USED IN OPERATING ACTIVITIES	(579,203)	(951,390)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property	3,500	
Additions to property	(618,410)	(268,634)
Investments	(17,918)	(7,556)
NET CASH USED IN INVESTING ACTIVITIES	(632,828)	(276,190)
CASH FLOWS FROM FINANCING ACTIVITIES		
Paycheck Protection loan proceeds	1,935,300	
Net repayments on line of credit	(169,972)	550,000
Repayment of long term debt	(199,152)	(186,158)
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,566,176	364,844
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	354,145	(862,738)
CASH AND RESTRICTED CASH BALANCE, BEGINNING OF YEAR	549,026	1,411,762
CASH AND RESTRICTED CASH TRANSFERRED FROM LIMITED PARTNERSHIP	62,032	
CASH AND RESTRICTED CASH BALANCE, END OF YEAR	\$ 965,203	\$ 549,026

See Notes to Consolidated Financial Statements.

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020**

	2021	2020
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ 62,533	\$ 73,255
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Transfer of assets from newly consolidated LP:		
Accounts receivable	\$ 2,496	\$
Prepaid expenses	10,827	
Property, net	980,089	
Security deposits	8,132	
Total transfer of assets from newly consolidated LP	\$ 1,001,544	\$
Transfer of liabilities from newly consolidated LP:		
Accounts payable	\$ 6,825	\$
Accrued expenses	7,062	
Security deposits	8,132	
Note payable	336,311	
Total transfer of liabilities from newly consolidated LP	\$ 360,330	\$
Total transfer of partners' capital from newly consolidated LP:		
Partnership capital previously recorded as investment in related parties	\$ 499,408	\$
	203,638	
Total transfer of partners' capital from newly consolidated LP	\$ 703,246	\$

See Notes to Consolidated Financial Statements.

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Community Action Program Belknap - Merrimack Counties, Inc. (the Organization) is a New Hampshire nonprofit organization that serves nutritional, health, living and support needs of the low income and elderly clients in the two county service areas, as well as state wide. These services are provided with the financial support of various federal, state, county and local organizations.

Principles of Consolidation

The consolidated financial statements include the accounts of Community Action Program of Belknap Merrimack Counties, Inc. and the following entities as Community Action Program of Belknap Merrimack Counties, Inc. has both an economic interest and control of the entities through a majority voting interest in their governing board. All significant intercompany items and transactions have been eliminated from basic consolidated financial statements:

Sandy Ledge Limited Partnership

CAP BMC Development Corporation

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Basis of Presentation

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

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

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

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020**

Donor restricted contributions are reported as increases in net assets with donor restrictions. When restrictions expire, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

The Organization had net assets with donor restrictions of \$1,048,832 and \$362,814 at February 28, 2021 and February 29, 2020, respectively. See Note 13.

Income Taxes

Community Action Program of Belknap-Merrimack Counties, Inc. is organized as a nonprofit corporation and is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Internal Revenue Service has determined them to be other than a private foundation.

The Organization files information returns in the United States and the State of New Hampshire. The Organization is subject to examinations by tax authorities for three years.

CAP BMC Development Corporation is taxed as a "C" Corporation under the Internal Revenue Code. The Corporation accounts for deferred income taxes under the asset and liability method in accordance with Accounting Standards Codification No. 740 (ASC 740), "Accounting for Income Taxes". The objective of this method is to establish deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities at the enacted tax rate expected to be in effect when such amounts are realized or settled. ASC 740 also required deferred tax assets and liabilities to be shown separately. There are no deferred tax assets or liabilities. The Corporation has no federal net operating loss carryforwards available at February 28, 2021 and 2020.

Sandy Ledge Limited is taxed as a partnership. Federal income taxes are not payable, or provided by the partnership. Earnings and losses are included in the partners' federal income tax returns based on their share of partnership earnings. Partnerships are required to file income tax returns with the State of New Hampshire and pay an income tax at the state's statutory rate.

Accounting Standard Codification No. 740 (ASC 740), *Accounting for Income Taxes*, established the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in consolidated financial statements. The Organization has analyzed its tax position taken on its income tax returns for the past three years, and has concluded that no additional provision for income taxes is necessary in the Organization's consolidated financial statements.

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020**

Property

Property and equipment is recorded at cost or, if donated, at the approximate fair value at the date of the donation. Assets purchased with a useful life in excess of one year and exceeding \$5,000 are capitalized unless a lower threshold is required by certain funding sources. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets as follows:

Buildings and improvements	40 years
Equipment, furniture and vehicles	3 - 7 years

Use of Estimates

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

Cash and Cash Equivalents

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

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

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

	2021	2020
Cash, operations	\$ 899,766	\$ 549,026
Cash escrow and reserve funds	65,437	-
Total cash and restricted cash	\$ 965,203	\$ 549,026

Contributed Services

Donated services are recognized as contributions in accordance with FASB ASC No. 958, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills and would otherwise be purchased by the Agency.

Volunteers provided various services throughout the year that are not recognized as contributions in the consolidated financial statements since the recognition criteria under FASB ASC No. 958 were not met.

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

In-Kind Donations / Noncash Transactions

Donated facilities, services and supplies are reflected as revenue and expense in the accompanying consolidated financial statements, if the criteria for recognition is met. This represents the estimated fair value for the service, supplies and space that the Organization might incur under normal operating activities. The Organization received \$490,035 and \$920,759 in donated facilities, services and supplies for the years ended February 28, 2021 and February 29, 2020, respectively, as follows:

The Organization receives contributed professional services that are required to be recorded in accordance with FASB ASC No. 958. The estimated fair value of these services was determined to be \$18,937 and \$52,181 for the years ended February 28, 2021 and February 29, 2020, respectively.

The Organization also receives contributed food commodities and other goods that are required to be recorded in accordance with FASB ASC No. 958. The estimated fair value of these food commodities and goods was determined to be \$471,098 and \$868,578 for the years ended February 28, 2021 and February 29, 2020, respectively.

Advertising

The Organization expenses advertising costs as they are incurred. Total advertising costs for the years ended February 28, 2021 and February 29, 2020 totaled \$14,287 and \$46,899, respectively.

Inventory

Inventory consists of weatherization supplies and work in process and is valued at the lower of cost or net realizable value, using the first-in, first-out method.

New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standard effective March 1, 2020, the first day of the Organization's fiscal year using the modified retrospective approach. The adoption did not result in a change to the accounting for the applicable revenue streams, as such, no cumulative effect adjustment was recorded.

Revenue Recognition

Amounts received from conditional grants and contracts for specific purposes are generally recognized as income to the extent that related expenses and conditions are incurred or met. Conditional grants received prior to the conditions being met are reported as refundable advances. Contributions of cash and other assets are reported as with donor restrictions if they are received with donor imposed stipulations that limit the use of the donated assets. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as without donor restrictions.

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020**

Program Service Revenue

Program service revenue is recognized as revenue when the services are performed.

Rental Revenue

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

Performance Obligations and Contract Assets and Liabilities

The performance obligations related to the lease contracts and program services are satisfied at a point in time. Revenue from performance obligations satisfied at a point in time consist of monthly rental payments and fees for program services. Contract assets for the year ended February 28, 2021 were \$2,378. Contract liabilities for the year ended February 28, 2021 were \$911. There were no contract assets or liabilities for the year ended February 29, 2020.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been presented in the Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Expenses are charged to each program based on the direct expenses incurred or estimated usage based on time spent on each program by staff.

Expense

Wages and benefits
Depreciation
All other expenses

Method of allocation

Time and effort
Actual assets used by program
Direct assignment

2. LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets as of February 28, 2021 and February 29, 2020:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents, undesignated	\$ 889,766	\$ 549,026
Accounts receivable	3,762,809	2,556,855
Investments	127,996	110,078
Cash escrow and reserves	<u>65,437</u>	<u> </u>
Total financial assets	<u>4,846,008</u>	<u>3,215,959</u>

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

Less: amounts not available to be used within one year:		
Net assets with donor restrictions	1,048,832	362,814
Reserve funds	60,212	
	<u>1,109,044</u>	<u>362,814</u>
Amounts not available within one year		
	<u>1,109,044</u>	<u>362,814</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,736,964</u>	<u>\$ 2,853,145</u>

It is the Organization's goal to maintain financial assets to meet 60 days of operating expenses which approximates \$4,360,000 and \$3,995,000 respectively, at February 28, 2021 and February 29, 2020. The Organization has a line of credit with \$219,972 and \$50,000, available to borrow on, at February 28, 2021 and February 29, 2020, respectively.

3. ACCOUNTS RECEIVABLE

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for uncollectible accounts was estimated to be zero at February 28, 2021 and February 29, 2020. The Organization has no policy for charging interest on overdue accounts.

4. REFUNDABLE ADVANCES

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services or expenditures are performed or incurred. Funds received in advance of grantor conditions being met aggregated \$1,036,941 and \$1,084,516 as of February 28, 2021 and February 29, 2020, respectively.

5. RETIREMENT PLAN

The Organization has a qualified contributory pension plan which covers substantially all employees. The cost of the plan is charged to programs administered by the Organization. The expense of the plan for the year ended February 28, 2021 and February 29, 2020 totaled \$193,103 and \$181,057, respectively.

6. LEASED FACILITIES

Facilities occupied by the Organization for its community service programs are leased under various operating leases. The lease terms range from month to month to twenty years. For the year ended February 28, 2021 and February 29, 2020, the annual lease expense for the leased facilities was \$542,317 and \$546,861, respectively.

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020**

The approximate future minimum lease payments on the above leases are as follows:

<u>Year Ended February 28</u>	<u>Amount</u>
2022	\$ 472,703
2023	445,235
2024	411,834
2025	245,038
2026	88,762
Thereafter	<u>1,776,979</u>
Total	<u>\$ 2,440,551</u>

7. ACCRUED EARNED TIME

The Organization has accrued a liability for future annual leave time that its employees have earned and vested with the employees in the amount of \$415,580 and \$341,532 at February 28, 2021 and February 29, 2020, respectively.

8. BANK LINE OF CREDIT

The Organization has a \$200,000 revolving line of credit agreement (the line) with a bank that is due on demand. The line calls for monthly variable interest payments based on the Wall Street Journal Prime Rate (4.75% at February 28, 2021 and February 29, 2020) plus 1% but not less than 6% per annum. The line is secured by all the Organization's assets. There was no balance outstanding at February 28, 2021. There was a balance of \$200,000 outstanding at February 29, 2020.

During the year ended February 29, 2020 the Organization entered into an additional revolving line of credit agreement (the line) in the amount of \$400,000 with a bank that is due on demand. The line calls for monthly variable interest payments based on the LIBOR rate (2.62% and 4.02% at February 28, 2021 and February 29, 2020, respectively). The line is secured by all the Organization's assets. There was a balance of \$380,028 and \$350,000 outstanding at February 28, 2021 and February 29, 2020, respectively.

9. CONCENTRATION OF RISK

For the years ended February 28, 2021 and February 29, 2020, approximately \$11,400,000 (42%) and \$12,100,000 (49%), respectively, of the Organization's total revenue was received from the Department of Health and Human Services. The future scale and nature of the Organization is dependent upon continued support from this department.

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

10. LONG TERM DEBT

Long term debt consisted of the following as of February 28, 2021 and February 29, 2020:

	<u>2021</u>	<u>2020</u>
5.50% note payable to a financial institution in monthly installments of \$1,634 through July 2039. The note is secured by property of the Organization.	\$ 225,459	\$ 232,259
5.75% note payable to a financial institution in monthly installments for principal and interest of \$13,912 through July 2023. The note is secured by property of the Organization for Lakes Region Family Center.	375,827	520,492
3.00% note payable to the City of Concord for leasehold improvements in monthly installments for principal and interest of \$747 through May 2027. The note is secured by property of the Organization for the agency administrative building renovations.	50,507	57,848
7.00% note payable to a bank in monthly installments for principal and interest of \$4,842 through May 2023. The note is secured by a first real estate mortgage and assignment of rents and leases on property located in Concord, New Hampshire, for Early Head Start.	164,553	204,898
Non-interest bearing note payable by Sandy Ledge to New Hampshire Housing deferred until June 1, 2034 or until the project is sold, or refinanced, or surplus cash is available. The note is collateralized by a mortgage on real estate.	<u>343,081</u>	<u> </u>
Total long-term debt before unamortized deferred financing cost	1,159,427	1,015,498
Unamortized deferred financing costs	<u>(6,286)</u>	<u> </u>
	1,153,141	1,015,498
Less amounts due within one year	<u>213,444</u>	<u>201,245</u>
Long term portion	<u>\$ 939,697</u>	<u>\$ - 814,253</u>

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020**

The scheduled maturities of long-term debt as of February 28, 2021 were as follows:

<u>Year Ending February 28</u>	<u>Amount</u>
2022	\$ 213,444
2023	226,567
2024	146,511
2025	16,749
2026	617,517
Thereafter	<u>532,353</u>
	<u>\$ 1,153,141</u>

11. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of February 28, 2021, and February 29, 2020:

	<u>2021</u>	<u>2020</u>
Land	\$ 279,340	\$ 168,876
Building and improvements	6,867,176	5,376,094
Equipment and vehicles	6,117,020	5,652,539
Construction in process	18,126	-
	<u>13,281,662</u>	<u>11,197,509</u>
Less accumulated depreciation	<u>7,639,290</u>	<u>6,695,428</u>
Property and equipment, net	<u>\$ 5,642,372</u>	<u>\$ 4,501,881</u>

Depreciation expense for the years ended February 28, 2021 and February 29, 2020 totaled \$458,009 and \$401,166, respectively.

12. CONTINGENCIES

The Organization receives grant funding from various sources. Under the terms of these agreements, the Organization is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If expenditures were found not to have been made in compliance with the laws and regulations, the Organization might be required to repay the funds. No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed as of February 28, 2021.

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

13. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following specific program services as of February 28, 2021 and February 29, 2020:

	<u>2021</u>	<u>2020</u>
NH Food Pantry Coalition	\$ 663	\$ 663
Senior Center	142,817	141,114
Elder Services	499,201	2,867
Mary Gale	-	24,082
NH Rotary Food Challenge	5,058	5,068
Summer Feeding	60,433	18,840
Common Pantry	5,512	4,764
Caring Fund	8,791	9,084
Agency – FAP	2,604	4,751
Agency Head Start	224,847	145,747
Agency – FP/PN	87,387	-
Community Crisis	350	2,550
Other Programs	11,169	3,304
	<u>\$ 1,048,832</u>	<u>\$ 362,814</u>
Total net assets with donor restrictions		

14. RELATED PARTY TRANSACTIONS

The Organization serves as the management agent for the following organizations:

<u>Related Party</u>	<u>Function</u>
Belmont Elderly Housing, Inc.	HUD Property
Epsom Elderly Housing, Inc.	HUD Property
Alton Housing for the Elderly, Inc.	HUD Property
Pembroke Housing for the Elderly, Inc.	HUD Property
Newbury Elderly Housing, Inc.	HUD Property
Kearsarge Elderly Housing, Inc.	HUD Property
Riverside Housing Corporation	HUD Property
Twin Rivers Community Corporation	Property Development
Ozanam Place, Inc.	Transitional Supportive Services
TRCC Housing Limited Partnership I	Low Income Housing Tax Credit Property

The services performed by the Organization included, marketing, accounting, tenant selection, (for the HUD properties), HUD compliance (for the HUD properties), and maintenance of property.

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

The total amount due from the related parties (collectively) at February 28, 2021 and February 29, 2020 was \$181,384 and \$198,763, respectively, and is included in accounts receivables.

15. RECLASSIFICATION

Certain amounts and accounts from the prior year financial statements have been reclassified to enhance the comparability with the presentation of the current year.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Community Action Program Belknap-Merrimack Counties, Inc. has also invested money relating to its Fix-It program in certain mutual funds. The fair value of the mutual funds totaled \$126,996 and \$109,078 at February 28, 2021 and February 29, 2020, respectively.

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

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

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

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

At February 28, 2021 and February 29, 2020, the Organization's investments were classified as Level 1 and were based on fair value.

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020**

Fair Value Measurements using Significant Observable Inputs (Level 1)

	<u>2021</u>	<u>2020</u>
Beginning balance - mutual funds	\$ 109,078	\$ 101,522
Total gains - mutual funds	<u>17,918</u>	<u>7,556</u>
Ending balance - mutual funds	<u>\$ 126,996</u>	<u>\$ 109,078</u>

The carrying amount of cash, current assets, other assets and current liabilities, approximates fair value because of the short maturity of those instruments.

The Organization also has \$1,000 invested in a Partnership, The Lakes Region Partnership for Public Health, at February 28, 2021 and February 29, 2020.

17. FISCAL AGENT

Community Action Program Belknap-Merrimack Counties, Inc. acts as the fiscal agent for the following community organizations: Franklin Community Services Building (Franklin), the Common Pantry (Laconia), the Caring Fund (Meredith), the NH Food Pantry Coalition, the NH Rotary Food Challenge and FGP/SCP Association Region 1. The Agency provides the management and oversight of the revenues received (donations) and the expenses (utilities, food and emergency services).

18. PAYCHECK PROTECTION PROGRAM

In April 2020, the Organization received loan proceeds in the amount of \$1,935,300, under the Paycheck Protection Program ("PPP"). The PPP is established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act").

If the Organization does not meet the loan criteria, the unforgiven portion of the PPP loan is payable over five years at an interest rate of .1%, with a deferral of payments for the first ten months.

19. OTHER MATTERS

The impact of the novel coronavirus (COVID-19) and measures to prevent its spread are affecting the Organization's business. The significance of the impact of these disruptions, including the extent of their adverse impact on the Organization's financial and operational results, will be dictated by the length of time that such disruptions continue and, in turn, will depend on the currently unknowable duration of the COVID-19 pandemic and the impact of governmental regulations that might be imposed in response to the pandemic.

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020**

20. TRANSFER OF PARTNERSHIP INTEREST

During the year ended February 28, 2021, Community Action Program of Belknap-Merrimack Counties, Inc. acquired a partnership interest in a low-income housing limited partnership, Sandy Ledge.

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

Date of Transfer	03/01/2020
Cash	\$ 3,793
Cash reserves	58,239
Accounts receivable	2,496
Prepaid expenses	10,827
Property, net	980,089
Other assets	<u>8,132</u>
Total assets	<u>\$ 1,063,576</u>
Note payable	\$ 336,311
Other liabilities	<u>24,019</u>
Total liabilities	360,330
Partners' capital	<u>703,246</u>
Total liabilities and Partners' Capital consolidated	<u>\$ 1,063,576</u>

21. SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the consolidated statement of financial position date, but before the consolidated financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the consolidated statement of financial position date, including the estimates inherent in the process of preparing consolidated financial statements. Non-recognized subsequent events are events that provide evidence about conditions that did not exist at the consolidated statement of financial position date, but arose after that date. Management has evaluated subsequent events through February 14, 2022, the date the consolidated financial statements were available to be issued.

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020**

On September 14, 2021, the Organization received partial forgiveness in the amount of \$1,615,427. The remaining \$312,873 has been converted to a loan, due in 44 monthly payments of principal and interest at a rate of 1%. The loan will mature in April 2025.

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED FEBRUARY 28, 1981

FEDERAL GRANTOR PROGRAM TITLE	Assistance Listing NUMBER	PASS THROUGH GRANTOR'S NAME	IDENTIFYING NUMBER	FEDERAL EXPENDITURE	PASSED THROUGH TO SUB-RECIPIENTS
US DEPARTMENT OF HEALTH AND HUMAN SERVICES					
HEAD START CLUSTER					
Head Start	\$3,600				
Head Start	\$3,600	State of New Hampshire	8100052-05-01 & 810011257	\$ 4,317,820	
			NONE PROVIDED	228,000	
			TOTAL	4,545,820	
Low Income Home Energy Assistance Program	\$3,568	State of New Hampshire	01-02-02-0247010-7700000	3,787,213	
CV-Low Income Home Energy Assistance Program	\$3,568	State of New Hampshire	01-02-02-0247010-7700000	62,699	
Low Income Home Energy Assistance Program-WX	\$3,568	State of New Hampshire	01-02-02-0247010-7700000	182,700	
			TOTAL	4,012,612	
Community Services Block Grant	\$3,563	State of New Hampshire	05-085-045-450010-7148	474,858	
CV-Community Services Block Grant	\$3,563	State of New Hampshire	05-085-045-450010-7148	52,699	
			TOTAL	507,557	
Social Services Block Grant-Home Delivered & Congregate Meals	\$3,067	State of New Hampshire	05-05-48-481010-8255	281,829	
Social Services Block Grant-Service Unit	\$3,067	State of New Hampshire	045-000307	8,983	
			TOTAL	290,812	
Temporary Assistance for Needy Families-Family Planning	\$3,558	State of New Hampshire	05-85-45-450010-8148	51,048	
Temporary Assistance for Needy Families-Workplace Success	\$3,558	Southern New Hampshire Services	05-85-45-450010-81270000	148,712	
			CLUSTER TOTAL	148,760	
AGING CLUSTER					
Title II, Part B-Senior Transportation	\$3,044	State of New Hampshire	05-85-48-481010-7872	88,776	
Title II, Part C-Congregate Meals	\$3,045	State of New Hampshire	05-85-48-481010-7872	82,887	
Title II, Part C-Home Delivered Meals	\$3,045	State of New Hampshire	05-85-48-481010-7872	683,717	
NHP	\$3,053	State of New Hampshire	1056477	186,447	
			CLUSTER TOTAL	1,047,827	
CHILD CARE AND DEVELOPMENT FUND CLUSTER					
Child Care & Development Block Grant	\$3,873	State of New Hampshire	NONE PROVIDED	414,145	
Child Care Mandatory & Matching Funds of the CCDF	\$3,596	State of New Hampshire	NONE PROVIDED	88,127	
			CLUSTER TOTAL	482,272	
MEDICAID CLUSTER					
Medical Assistance Program	\$3,778	State of New Hampshire	102-000731	62,099	
Medical Assistance Program - Veterans	\$3,778	Gateways Community Services	CLUSTER TOTAL	62,877	
			133,076		
Family Planning - Services	\$3,217	State of New Hampshire	05-85-60-602010-8530	63,101	
Public Health Emergency Response:					
Cooperative Agreement for Emergency Response: Public Health	\$3,234	State of New Hampshire	UN2PE003063	2,481	
Maternal, Infant, & Early Childhood Home Visiting Program	\$3,870	State of New Hampshire	05-85-042-421010-29580000	102,217	
National Family Caregiver Support, Title II, Part B-Service Unit	\$3,052	State of New Hampshire	102-000731	51,110	
Special Programs for Aging, Title IV-Service Unit	\$3,048	State of New Hampshire	102-000731	13,705	
State Health Insurance Assistance Program	\$3,324	State of New Hampshire	102-000731	14,788	
Medicare Enrollment Assistance Program	\$3,071	State of New Hampshire	102-000731	5,287	
			MHS TOTAL	11,404,878	
US DEPARTMENT OF AGRICULTURE					
Special Suppl. Nutrition Program for Women, Infants & Children	10,857	State of New Hampshire	16449700W1003	641,527	
Senior Farmers Market	10,878	State of New Hampshire	05-85-60-602010-62800000	81,881	
Child & Adult Care Food Program	10,858	State of New Hampshire	NONE PROVIDED	98,788	
CHILD NUTRITION CLUSTER					
Senior Food Service Program For Children	10,858	State of New Hampshire	NONE PROVIDED	143,817	

See Notes to Schedule of Expenditures of Federal Awards

SUPPLEMENTAL INFORMATION

(See Independent Auditors' Report)

COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTIES, INC.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED FEBRUARY 28, 2021**

NOTE 1

BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Community Action Program Belknap-Merrimack Counties, Inc. under programs of the federal government for the year ended February 28, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Community Action Program Belknap-Merrimack Counties, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3

INDIRECT COST RATE

Community Action Program Belknap-Merrimack Counties, Inc. has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4

FOOD COMMODITIES AND VEHICLES

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

COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTIES, INC.

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

To the Board of Directors
Community Action Program Belknap-Merrimack Counties, Inc.
Concord, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Action Program Belknap-Merrimack Counties, Inc. (a nonprofit organization), which comprise the statement of financial position as of February 28, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 14, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

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

Purpose of this Report

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

Leone McDonnell & Roberts
Professional Association

Concord, New Hampshire
February 14, 2022

COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTIES, INC.

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

To the Board of Directors,
Community Action Program Belknap-Merrimack Counties, Inc.
Concord, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited Community Action Program Belknap-Merrimack Counties, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Community Action Program Belknap-Merrimack Counties, Inc.'s major federal programs for the year ended February 28, 2021. Community Action Program Belknap-Merrimack Counties, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Community Action Program Belknap-Merrimack Counties, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Action Program Belknap-Merrimack Counties, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Community Action Program Belknap-Merrimack Counties, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Community Action Program Belknap-Merrimack Counties, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended February 28, 2021.

Report on Internal Control Over Compliance

Management of Community Action Program Belknap-Merrimack Counties, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Action Program Belknap-Merrimack Counties, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Action Program Belknap-Merrimack Counties, Inc.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Concord, New Hampshire
February 14, 2022

COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTIES, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED FEBRUARY 28, 2021**

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Community Action Program Belknap-Merrimack Counties, Inc. were prepared in accordance with generally accepted accounting principles.
2. One material weakness relating to the audit of the financial statements is reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Community Action Program Belknap-Merrimack Counties, Inc. which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and On Internal Control Over Compliance Required by the Uniform Guidance*. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for Community Action Program Belknap-Merrimack Counties, Inc. expresses an unmodified opinion on all major programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs include:
U.S. Department of Health and Human Services, Low Income Home Energy Assistance Program, 93.568, Medical Assistance Program 93.778, National Family Caregiver Support, Title III, Part E, 93.052, U.S. Department of Agriculture, Food Distribution Cluster, 10.565, 10.568, 10.569, U.S. Department of the Treasury, Coronavirus Relief Fund, 21.019.
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Community Action Program Belknap-Merrimack Counties, Inc. was determined to not be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

MATERIAL WEAKNESS

2021-001

Condition: The financial statements presented to the auditor at the beginning of fieldwork included accounts that had not been reconciled accurately or in a timely manner.

Criteria: The Organization's internal control procedures should be structured so that accounts are reconciled and reviewed on a timely basis.

Cause: Significant turnover in the fiscal department of the organization.

Effect: Significant audit and late client entries were recorded to ensure accurate account balances.

Recommendation: The auditors recommend that the financial close process includes a review and reconciliation of all significant accounts.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS AUDIT

None

Phone (603) 225-3295
 (800) 856-5525
 Fax: (603) 228-1898
 Web: www.bm-cap.org



2 Industrial Park Drive
 P.O. Box 1016
 Concord, NH
 03302-1016

February 14, 2022

Finding 2021-001:

Plan: Going forward all reconciliations will be completed in a timely manner. This will ensure any errors and omissions will be caught and corrected timely. All accounts will be reviewed and reconciled before fieldwork begins. This will eliminate the need for significant audit and late client entries.

Anticipated Completion Date: 2/14/2022

Contact: Jill Esmerises, CFO

ALTON Senior Center 273-7100 Prospect View Housing 875-3111	CONCORD Area Center 225-4280 Head Start 224-4973 Early Head Start 224-4973 Concord Area Meals on Wheels 224-9092 Concord Area Dental 225-1989 Hoopoe Pond Place 228-6916 WC/CDP 225-3030 Workplace Success 225-3303	EPSOM Member Ship Housing 734-8230 FRANKLIN Area Center 734-3446 Head Start 734-2161 Early Head Start 734-2161 Senior Center 734-4181 Double Housing 734-8240	LACONA Area Center 824-8312 Head Start 828-8334 Early Head Start 828-8334 Senior Center 824-7499 Family Reviving 824-9433 Workplace Success 824-0367	NEWBURY Newbury Commons Housing 743-0346 PEMBROKE Village of Pembroke Farms Housing 436-1936 PITTSFIELD Area Center 436-4494 Senior Center 434-6466 Head Start 434-6414 Early Head Start 434-6411	SUNCOOK Area Center 853-9834 Senior Center 853-4734 TILTON Senior Center 827-8271 WARNER Area Center 436-2207 Head Start 436-2208 North Ridge Housing 436-3098
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COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTIES, INC.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED FEBRUARY 28, 2021**

MATERIAL WEAKNESS

2020-001

Condition: The financial statements presented to the auditor at the beginning of fieldwork understated revenue and expenses by a material amount. This was primarily the result of improper cut off due to revenue and expenses related to the fiscal year under audit being recorded to the subsequent period.

Recommendations: The auditors recommend that the Organization implement procedures so that balance sheet accounts are reconciled and reviewed by management on a monthly basis. Further, the auditors recommend that the financial closing process be simplified and include a review of all significant balance sheet and profit and loss accounts.

Current Status: Open - See 2021-001.

**COMMUNITY ACTION PROGRAM
BELKNAP-MERRIMACK COUNTIES, INC.**

**STATE EMERGENCY FUEL ASSISTANCE PROGRAM (SEFAP)
STATE SUPPLEMENTAL ELECTRIC BENEFIT PROGRAM (SSEBP)**

KEY PERSONNEL SALARIES AND ALLOCATION

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Jeanne Agri	Chief Executive Officer	\$145,916.10	0%	\$0.00
Jill Lesmerises	Chief Fiscal Officer	\$103,000.04	0%	\$0.00
Leah Richards	Director of Energy and Area Resource Center	\$78,702.00	20%	\$15,740.40
Jessica Anstey	Fuel Assistance Program Manager	\$44,850.00	20%	\$8,970.00
Elizabeth Reynolds	Electric Assistance Program Manager	\$31,200.00	20%	\$6,240.00

Jeanne Agri

PROFESSIONAL PROFILE

Versatile and experienced leader with highly developed communication skills: written, verbal and presentational. Adept in coaching and mentoring employees and colleagues as evidenced by my selection by the National Office of Head Start to serve as a mentor for new Head Start Directors. Committed to continuous improvement of activities to ensure they meet outcomes approved by the board through strategic planning, creating goal-oriented systems and conformance with all local, state and federal guidance.

WORK EXPERIENCE

Community Action Program Belknap-Merrimack Counties, Concord, NH

Executive Director

2018-present

- Assures the organization has long-range strategy which makes consistent and timely progress towards meeting the Agencies overall mission
- Responsible for the general supervision of all grant awards, ensuring that all statutory, regulatory, and /or program and financial requirements are met, that generally accepted accounting principles are applied, and that all program and financial policies and procedures are adhered to.
- Provide leadership in developing programs, organizational structures and financial systems that carry out the instructions and policies authorized by the Board
- Establish sound working relationships and cooperative arrangements with community groups, organizations and all funding sources important to the development of the agency and programs.
- See that the Board Director is kept fully informed and up to date on the condition of the organization and all important Federal, State or local requirements impacting on the Agency and/or its programs.

Southern New Hampshire Services, Manchester, NH

Education and Nutrition Operations Director

2016 - 2018

- Coordinate, manage and monitor workings of Child Development, Women Infant and Children, and Literacy Programs, as well as development of an agency wide Two-Generational Approach to services
- Formulate, improve and implement departmental and organizational policies and procedures to maximize output. Monitor adherence to rules, regulations, and procedures
- Assist in the recruitment and placement of required staff; establishment of organizational structure; delegation of tasks and accountabilities
- Supervise staff, including establishment of work schedules and monitoring and evaluating performance in partnership with Executive Director
- Assist in development of strategic plans for operational activity; implement and manage operational plans

Director of Child Development Programs

2001-2016

- Hire, coach and evaluate the performance of Program Managers, Specialists, Coordinators, Center Directors, Teachers and Head Start support staff
- Provide coaching, and learning opportunities for all employees focused on promoting, supporting and improving early development of children from the prenatal stage to five years of age using research-based practices
- Plan and implement strategic interventions with Program Managers, Specialists, Coordinators and Center Directors for sites needing administrative support and direction
- Plan, coordinate and facilitate regular leadership meetings for evaluating and strengthening systems to maintain the highest quality of services in compliance with Head Start Performance Standards
- Develop internal structures, systems, and policies supporting major content areas of Head Start program including education, health, mental health, social services, parent involvement, nutrition, disabilities, and transportation

- Collaborate with managers and internal fiscal department in the monitoring and control of component budgets; identification and interpretation of Head Start and community needs; conformance to the Performance Standards and other regulatory requirements
- Work in partnership with internal departments to support project goals and meet customer expectations
- Establish and maintain relationships and collaborations with public school districts, systems of higher education, and other community agencies and partners
- Ensure adequate systems in place to maintain the highest quality of services to children and families in compliance with Head Start Performance Standards
- Ensure consistency in service delivery across the program with attention to inclusive practices and integration of component areas; encourage continuous improvement of systems.

Quality Assurance Director/Co-Director for Child Development Programs 1999-2001

- Established and managed a robust monitoring, analysis and evaluation system with well-defined results, milestones, and targets inclusive of Continuous Quality Improvement practices
- Monitored for quality and compliance at Grantee and Delegate level
- Worked closely with program Director to review, track and assess monitoring compliance throughout program operations
- Developed and implements a written quality assurance and performance evaluation plan in conjunction with Governing Board, Policy Council
- Interpreted and evaluated a variety of information to present it in meaningful oral or written form for varied audiences and provide reliable analysis leading to sound decision-making

Area Manager/Education Manager 1997-1999

- Supervision of various Child Care sites including direct supervision of Center Directors/Site Managers
- Coordinate personal and professional development and training plans for staff and ensure teaching staff progress towards educational requirements as supported by the Performance Standards
- Documented and administered both positive and negative feedback and utilize Performance Improvement Plans when warranted.

Child Care Center Director/Site Manager 1995-1997

- Supervised, mentored, coach and administered work plans and directives to staff
- Communicated areas of performance improvement to staff and promote training that reflected individual needs of staff members and the team as a whole
- Ensure program compliance with codes of state and local licensing agencies and grant requirements

New Hampshire Technical College, Nashua, NH
Instructor 1995-1997

- Taught Child Growth & Development and assisted in curriculum development for Early Childhood Education Program
- Planned and organized instruction to maximize documented student learning
- Employed appropriate teaching and learning strategies to communicate subject matter to students
- Modified, where applicable, instructional methods and strategies to meet diverse student needs

EDUCATION

Southern New Hampshire University, Manchester, NH
Master's in Business Administration June 2017

Notre Dame College, Manchester, NH
Bachelors of Arts in Elementary Education 1981

LEAH RICHARDS

PROFESSIONAL PROFILE

Agile, collaborative administrator with 17 years of progressive, multifaceted experience in non-profit settings. Visionary, strategic leader and strong supervisor with a keen eye for detail. Confident, technologically savvy communicator with experience presenting at national, regional, and local conferences. Particular strengths in establishing rapport, providing empowering supervision, problem solving, supporting vulnerable populations, leveraging technology, process improvement, and managing change.

EDUCATION

Master of Education
Higher Education
Ohio University
2004-2006

Bachelor of Science
Journalism
Ohio University
2000-2004

TEACHING

PCC 201
Professional
communication and
career planning course
Instructor, two semesters

SNHU 101
Seminar course focused
on academic and social
transition to college
Instructor, six semesters

SNHU 303
Course for college
juniors focusing on life
after college
Instructor, two semesters

RA Training Course
Course focused on
leadership, social justice
Instructor, four semesters

UC 100: FYE Course
Developed lesson plans
for four-credit course for
first year students
Instructor, one semester

EXPERIENCE

Community Action Program Belknap-Merrimack Counties
Concord, NH **2021 - Present**

Director, Energy and Area Resource Centers **Feb 2022-Present**

- Directly supervise the Fuel Assistance and Electric Assistance programs
- Oversee Emergency Food Assistance for agency and supervise a Food Assistance Manager and three busy food pantries
- Manage team of 25 staff members supporting energy and food assistance through network of resource centers in five locations
- Serve a member of the agency's senior leadership team

Area Center Operations Manager **Apr 2021-Feb 2022**

- Supervised staff and volunteers for area resource centers in five locations
- Managed three food pantries and served as Emergency Food Assistance Coordinator
- Assisted with all operations, including process and workflow improvement, hiring and training, budgeting and ordering, and implementing new technologies

Southern New Hampshire University
Manchester, NH **2010 - 2021**

Ten years of progressive leadership in student support and administration. Began in direct service role as advisor before leading department and now multiple departments. Coordinated robust advising program, including leading through successful office restructure. Created and implemented new systems, policies, and processes. Increased faculty usage of Early Warning system by 200%.

Assistant Dean, Student Success **Aug 2017 - Apr 2021**

- Provided leadership to division of multiple departments with nearly 30 FT staff and more than 150 student staff (both paid and volunteer positions)
- Supported multiple directors of busy departments with daily operations, prioritization, collaboration, and change management
- Established and grew academic coaching model to support at-risk students
- Managed division-wide and campus-wide projects, including staff onboarding processes, policy revision, and communication plans
- Led as member of Enrollment Management and Student Success leadership team, providing insight to campus leadership on student retention and persistence

LEAH RICHARDS

SERVICE AND COMMITTEE WORK

Emergency Food and Shelter Merrimack County local board (chair, 2021-present)

Neighbor Helping Neighbor Board member

Scholastic Standing Committee (chair, 2017-2021)

University Policy Advisory Board

NACADA NH State Liaison and Steering Committee member (state rep, 2017-19)

Basic Needs Support General Education Committee

Judicial Hearing Board

University Honors Advisory Board

Safe Zones Facilitator

Student Club Advisor to Generation Equality

Retention Taskforce

President's Commission on LGBTQ Advocacy (chair, 2012-2014)

EXPERIENCE continued

Director, Academic Advising Office

Jul 2014 – Aug 2017

- Cultivated, implemented, and assessed successful, developmental first year/transfer student advising program for on-campus students
- Coordinated all advising services for campus of 3,000 students
- Developed ongoing training and resources to educate and empower 135 faculty/staff academic advisors, increased faculty usage by early warning system by 200%
- Directly supervised nine full-time staff members and, indirectly, 40 student advisors
- Provided leadership on policy development and revision, budget, program development, event planning, and strategic planning
- Utilized a variety of technologies including multiple CRM and information systems, survey and data tools, scheduling software, and film editing and infographics tools

Assistant Director, Academic Advising

Aug 2012 - Jun 2014

- Created initiatives and best practices for first year students on campus
- Focused on campus collaboration development of high-impact practices, including piloting themed learning communities and a new registration model for new students

Academic Advisor

Jul 2010 - Jul 2012

- Advised caseload of approximately 200 primarily first year college students, developing relationships, programs, and initiatives to support their development

University of New Hampshire

Durham, NH 2006 - 2010

- Four years of increased responsibility in residence life department focused on deep, developmental interactions with students. Co-led New Staff Development team.
- Organized a 'Future Leaders of Student Affairs' conference and workshop series.

Residence Hall Director

Aug 2006 - Jun 2010

- Cultivated community in two residence halls with populations of 150-300 students
- Entrusted to launch a brand new traditional and suite-style hall which housed a multicultural theme floor
- Partnered with students and faculty to develop learning communities focusing on civic engagement & diversity
- Served as a conduct hearing officer, budget manager, academic coach, hall council advisor, and crisis responder

Jill Lesmerises

Profile

Experienced and self-motivated Accounting Professional bringing forth over 30 years of valuable progressive non-profit experience. Looking for an opportunity to use my non-profit experience to help guide an organization. Areas of experience range from cash management, bank reconciliations, accounts receivable, fixed assets, accounts payable, payroll, audit preparation, budget preparation, monitoring subrecipients, 403B pension compliance and audit preparation, employee benefits, and system implementations.

Employment Experience

10/21 – Present

Chief Fiscal Officer, Community Action Program Belknap-Merrimack Counties, Inc.

CAPBM is a not-for-profit with 25 million in revenue with 11 legal entities. The Agency has over 300 employees and holds 8 million in assets.

Oversee the daily activities of 6 fiscal staff, conduct budget meetings, prepare work papers for annual audit for agency and 10 housing projects, manage the daily cash flow of the agency and 10 housing projects, prepare paperwork for monitorings conducted by various funding sources, and review accounts payable input, journal entries, accounts receivable input, and monthly billings.

10/17 – 12/21

Senior Accountant, Southern New Hampshire Services, Inc.

Southern New Hampshire Services is a not-for-profit with 49 million in revenue with 30 legal entities. The Agency has over 400 employees and holds 84 million in assets.

Conduct monthly budget meetings, bill funding sources monthly, prepare work papers for annual audit, monitor subrecipients, prepare paperwork for monitoring conducted by various funding sources, review accounts payable input and manage daily workflow, provide backup for accounts payable and fuel assistance payable positions, prepare surveys for various governmental agencies, prepare ACA forms, prepare paperwork for 403B annual audit and file

5500, member and secretary of the 403B Committee, instrumental in getting PaperSave up and running within the Fiscal Department, prepare work papers for 26 housing programs

11/02 - 10/17

Staff Accountant, Community Action Program Belknap-Merrimack Counties, Inc.

At the time of my employment, Community Action Program Belknap-Merrimack Counties was a not-for-profit with 20 million in revenue. The Agency had over 479 employees and held over 7 million in assets.

Reconciled 36 bank accounts, billed funding sources monthly, prepared work papers for annual audit, prepared paperwork for monitoring by various funding sources, prepared and entered journal entries, reconciled general ledger accounts, reviewed daily accounts payable input, entered cash receipts in A/R system, provided backup for both payroll and accounts payable/receivable positions, managed daily workflow, and trained new accounting staff members

1/00 - 9/02

Account Supervisor (for 2 Companies), Whole Life, Inc.

Whole Life, Inc. is a not-for-profit with 6 million in revenue. The Agency had over 140 employees and held over 4 million in assets.

Prepared monthly and quarterly reports, yearly budgets, monthly invoices, work papers, and cost reports, prepared and entered journal entries, reconciled general ledger accounts, and billed Medicaid

9/98 - 1/00

Account Receivable Clerk (for 4 Companies), CSN Financial, Inc.

Coded cash receipts, prepared monthly invoices, and prepared accounts receivable and revenue work papers

5/93 - 9/98

Assistant Controller, Biosystems, Inc.

Collected past due accounts receivable both foreign and domestic, provided switchboard relief, handled petty cash funds, audited salesmen expenses, cut accounts payable checks, prepared journal entries, performed payroll functions

3/88 - 5/93

Business Officer, The Caring Community of Connecticut, Inc.

The Caring Community of Connecticut is a not-for-profit with 18 million in revenue.

Answered phones, filed correspondence, handled petty cash funds, typed correspondence, coded cash receipts and disbursements, reconciled bank accounts, screened job applicants, prepared work papers, and participated in administrator on-call program

Educational Background

1996-2000

Bachelor Degree in Accounting, Eastern Connecticut State University
Graduated cum laude

1992-1996

Associate Degree in Accounting, Three Rivers Community Technical College
Named to Dean's list, graduated with high honors

1981-1985

Merrimack Valley High School
Member of National Honor Society; named to Honor Roll for 3 years

Volunteer Work

1/17 - Present

Director on The Loudon Communications Council
Council is responsible for the distribution of a monthly newspaper to the residents of Loudon and to maintain the Town of Loudon NH website. Also served as Treasurer of the Council for 2 years.

Elizabeth Reynolds

Dynamic and energetic Program Assistant with excellent customer service skills and experience in administrative office settings. Adept communicator and facilitator with strong aptitude in account monitoring, program coordination, and relationship management. Highly detail-oriented and innovative with a background in creative arts. Proficient in MS Word, Excel, PowerPoint, Outlook and Social Media. Looking for an opportunity where I can contribute to the business development of your organization by using my experience of program coordination and administration.

Professional Experience

COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTY, CONCORD, NH
Electric Assistance Program Manager, April 2018 – Current

- Responsible for daily monitoring of program enrollments, account corrections and participant eligibility for the Electric Assistance Program applicants
- Receive, process and certify program applications in a timely, organized and precise manner
- Create, implement and oversee new mailed applications element of EAP program from generating mail lists to receiving, processing and following-up with clients to successfully complete their applications for enrollment
- Assistant to Fuel Assistance Program Manager during winter season – answer client calls, certify applications for enrollment, process emergency applications and operate program in absence of FAP manager
- Provide support and direction as needed to intake workers, center directors and office staff regarding FAP & EAP program guidelines and procedures
- Communicate directly with utility companies, PUC, fuel vendors, welfare offices and clients to resolve account issues with professionalism and respect for sensitive situations

COMMUNITY ACTION PROGRAM, FRANKLIN, NH
Administrative Assistant, July 2017 – April 2018

- Greet & direct clients, answer phones, schedule appointments, organize files and update monthly appointment calendar
- Create and update social media platforms to distribute Area Center information to the public
- Record donations, distribute items to clients, sort, stock and coordinate daily pantry needs
- Determine how best to assist clients experiencing various financial barriers, provide program referrals, deescalate critical situations and maintain confidential client information

YOU'RE FIRED, CONCORD, NH

Studio Manager, August 2016 – April 2018

- Provide outstanding customer service that encourages repeat customers and increased sales
- Perform store opening and closing duties, schedule birthday parties and events, order stock, supplies and receive all orders
- Hire, train and direct assistants, see to any customer complaints or issues, ensure facilities are at a high level of cleanliness and safety

Education

UNIVERSITY OF NEW HAMPSHIRE, DURHAM, NH

- B.A. in Liberal Arts – Class of 2010