



**SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE**

**SINGLE AUDIT REPORT**

**YEAR ENDED JULY 31, 2019**

**SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE**

**SINGLE AUDIT REPORT**

**YEAR ENDED JULY 31, 2019**

---

***TABLE OF CONTENTS***

	<i>Page</i>
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance and Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	9
Schedule of Findings and Questioned Costs	10
Financial Report	

# OUELLETTE & ASSOCIATES, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Mark R. Carrier, C.P.A.  
Michael R. Dunn, C.P.A.  
Jonathan A. Hussey, C.P.A., M.S.T.  
Steven R. Lamontagne, C.P.A.

Gary W. Soucy, C.P.A.  
Gary A. Wigant, C.P.A.  
C. Joseph Wolverton, Jr., C.P.A.

## **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Southern New Hampshire Services, Inc. (the Organization) and affiliate, which comprise the combined statement of financial position as of July 31, 2019, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated February 12, 2020.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the combined financial statements, we considered the Organization'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 combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Southern New Hampshire Services, Inc. and affiliate's combined financial statements are free from material misstatement, we performed tests of their 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.

*Ouellette & Associates, P.A.*  
Certified Public Accountants

February 12, 2020  
Lewiston, Maine

# OUELLETTE & ASSOCIATES, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Mark R. Carrier, C.P.A.  
Michael R. Dunn, C.P.A.  
Jonathan A. Hussey, C.P.A., M.S.T.  
Steven R. Lamontagne, C.P.A.

Gary W. Soucy, C.P.A.  
Gary A. Wigant, C.P.A.  
C. Joseph Wolverton, Jr., C.P.A.

## **Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance and Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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

### **Report on Compliance for Each Major Federal Program**

We have audited Southern New Hampshire Services, Inc. (the Organization) and affiliate'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 Southern New Hampshire Services, Inc. and affiliate's major federal programs for the year ended July 31, 2019. Southern New Hampshire Services, Inc. and affiliate's major federal programs are identified in the summary of auditor's 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Southern New Hampshire Services, Inc. and affiliate'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 Southern New Hampshire Services, Inc. and affiliate'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 Southern New Hampshire Services, Inc. and affiliate's compliance.

## ***Opinion on Each Major Federal Program***

In our opinion, Southern New Hampshire Services, Inc. and affiliate complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended July 31, 2019.

## **Report on Internal Control over Compliance**

Management of Southern New Hampshire Services, Inc. and affiliate 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 Southern New Hampshire Services, Inc. and affiliate'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 Southern New Hampshire Services, Inc. and affiliate'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, as defined above. 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.

## **Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

We have audited the combined financial statements of Southern New Hampshire Services, Inc. and affiliate as of and for the year ended July 31, 2019, and have issued our report thereon dated February 12, 2020, which contained an unmodified opinion on those combined financial statements. Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Ouellette & Associates, P.A.*  
Certified Public Accountants

February 12, 2020  
Lewiston, Maine

## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FISCAL YEAR ENDED JULY 31, 2019

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying Number	Subrecipient Expenditures	Federal Expenditures
<b>FEDERAL AWARDS</b>				
<b><u>U.S. Department of Agriculture:</u></b>				
<i>Pass-Through State of New Hampshire Department of Health and Human Services</i>				
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	184NH703W1003	\$ -	\$ 1,228,016
	10.557	174NH703W1003		114,692
				<u>1,342,708</u>
<i>Pass-Through Belknap Merrimack Community Action Program</i>				
Commodity Supplemental Food Program	10.565	201818Y800544		100,632
	10.565	201919Y800544		8,609
				<u>109,241</u>
<i>Pass-Through State of New Hampshire Department of Education</i>				
Child and Adult Care Food Program	10.558			1,046,749
Summer Food Service Program for Children	10.559			126,951
				<u>1,173,700</u>
<b>Total U.S. Department of Agriculture</b>			<u>\$ -</u>	<u>\$ 2,625,649</u>
<b><u>U.S. Department of Housing and Urban Development:</u></b>				
<i>Direct Program</i>				
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249		\$ -	\$ 520,382
<i>Pass-Through State of New Hampshire Department of Health and Human Services</i>				
Emergency Solutions Grant Program	14.231	E17-DC-33-0001		93,004
<i>Pass-Through Belknap Merrimack Community Action Program</i>				
Lead-Based Pant Hazard Control in Privately-Owned Housing	14.900			4,000
				<u>4,000</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>\$ -</u>	<u>\$ 617,386</u>
<b>Subtotal</b>			<u>\$ -</u>	<u>\$ 3,243,035</u>

## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FISCAL YEAR ENDED JULY 31, 2019

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying Number	Subrecipient Expenditures	Federal Expenditures
<b>Amount Forward</b>			\$ -	\$ 3,243,035
<b><u>U.S. Department of Labor:</u></b>				
<i>Pass-Through State of New Hampshire Department of Resources and Economic Development</i>				
<b><u>WIOA Cluster</u></b>				
WIOA Adult Program	17.258	02-6000618	\$ 142,256	\$ 1,131,666
WIOA Dislocated Worker Formula Grants	17.278	02-6000618	135,936	1,379,303
<b>Total WIOA Cluster</b>			<b>278,192</b>	<b>2,510,969</b>
Senior Community Service Employment Program	17.235	02-6000618	34,787	247,158
WIOA Youth Activities	17.259	02-6000618		13,487
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	02-6000618		459,003
<b>Total U.S. Department of Labor</b>			<b>\$ 312,979</b>	<b>\$ 3,230,617</b>
<b><u>U.S. Department of Energy:</u></b>				
<i>Pass-Through State of New Hampshire Governor's Office Office of Strategic Initiatives</i>				
Weatherization Assistance for Low-Income Persons	81.042	EE0007935	\$ -	\$ 529,373
<b>Total U.S. Department of Energy:</b>			<b>\$ -</b>	<b>\$ 529,373</b>
<b><u>U.S. Department of Education:</u></b>				
<i>Pass-Through State of New Hampshire Department Of Education</i>				
Adult Education - Basic Grants to States	84.002	67011-ABE	\$ -	\$ 32,099
	84.002	67011-ABE		14,308
	84.002	67011-ABE		19,745
	84.002	67011-ABE		40,555
<b>Total U.S. Department of Education</b>			<b>\$ -</b>	<b>\$ 106,707</b>
<b><u>Corporation for National and Community Services:</u></b>				
<i>Direct Program</i>				
Retired and Senior Volunteer Program	94.002	17SRANH002	\$ -	\$ 115,829
<b>Total Corporation for National and Community Services</b>			<b>\$ -</b>	<b>\$ 115,829</b>
<b>Subtotal</b>			<b>\$ 312,979</b>	<b>\$ 7,225,561</b>

## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FISCAL YEAR ENDED JULY 31, 2019

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying Number	Subrecipient Expenditures	Federal Expenditures
<b>Amount Forward</b>			<b>\$ 312,979</b>	<b>\$ 7,225,561</b>
<b><u>U.S. Department of Health and Human Services:</u></b>				
<b><i>Direct Program</i></b>				
Head Start	93.600	01CH010602-01	\$ -	\$ 6,409,350
	93.600	01HP0009-04		285,097
				<u>6,694,447</u>
<b><i>Pass-Through State of New Hampshire Office of Strategic Initiatives</i></b>				
Low-Income Home Energy Assistance	93.568	G-19B1NHLIEA		10,052,278
	93.568	G-18B1NHLIEA		875,547
	93.568	G-1901NHLIEA		135,676
				<u>11,063,501</u>
<b><i>Pass-Through State of New Hampshire Department Of Health and Human Services</i></b>				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	18AANHT355		13,957
Temporary Assistance for Needy Families	93.558	2017G996115	847,513	2,867,424
	93.558	2018G996115	69,719	284,041
			<u>917,232</u>	<u>3,151,465</u>
Community Services Block Grant	93.569	G-1901NHCOSR		1,623,853
Community Services Block Grant Discretionary Awards	93.570	G-17B1NHCOSR		50,552
<b><u>CCDF Cluster</u></b>				
Child Care and Development Block Grant	93.575	2018G996005		1,129,624
Child Care Mandatory and Matching Funds of The Child Care and Development Fund	93.596	2019G999004		1,046,584
				<u>2,176,208</u>
<b><i>Pass-Through University of New Hampshire</i></b>				
Every Student Succeeds Act/Preschool Development Grants	93.434	1H79SM061289		109
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 917,232</b>	<b>\$ 24,774,092</b>
<b><u>U.S. Department of Homeland Security:</u></b>				
<b><i>Passed-through Regional United Way Agency</i></b>				
Emergency Food and Shelter National Board Program	97.024		\$ -	\$ 5,750
<b><i>Pass-Through State of New Hampshire Governor's Office Office of Strategic Initiatives</i></b>				
Emergency Food and Shelter National Board Program	97.024	592600-007	\$ -	\$ 11,239
<b>Total U.S. Department of Homeland Security</b>			<b>\$ -</b>	<b>\$ 16,989</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 1,230,211</b>	<b>\$ 32,016,642</b>

**SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JULY 31, 2019**

---

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Southern New Hampshire Services, Inc. and affiliate under programs of the federal government for the year ended July 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southern New Hampshire Services, Inc. and affiliate, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Southern New Hampshire Services, Inc. and affiliate.

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.

Pass-through entity identifying numbers are presented where available.

NOTE 3: HEAD START PROGRAMS CFDA #93.600

In accordance with terms of the grant award, the Organization has met its matching requirements during the year ended July 31, 2019.

NOTE 4: INDIRECT COST RATE

Southern New Hampshire Services, Inc. and affiliate has negotiated an indirect cost rate of 9.80% with the Department of Health and Human Services.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JULY 31, 2019

**Section I Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:  
Material weakness(es) identified? \_\_\_\_\_ Yes     No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes     None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes     No

**Federal Awards**

Internal control over major programs:  
Material weakness(es) identified? \_\_\_\_\_ Yes     No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes     None reported

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

Any audit findings disclosed that are required  
to be reported in accordance with CFR Section  
200.156(a) of the Uniform Guidance? \_\_\_\_\_ Yes     No

**Identification of major programs:**

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Community Services Block Grant	93.569
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280
Head Start & Early Head Start	93.600
Low-Income Home Energy Assistance	93.568

Dollar threshold used to distinguish between  
Type A and Type B programs: \$960,500

Auditee qualified as low-risk auditee?     Yes    \_\_\_\_\_ No

**Section II Financial Statement Findings**

No matters are reportable.

**Section III Federal Award Findings and Questioned Costs**

No matters are reportable.



**SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE**

**COMBINED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED JULY 31, 2019 AND 2018**

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

FINANCIAL STATEMENTS

JULY 31, 2019 AND 2018

---

***C O N T E N T S***

	<b>PAGE</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<i>1 - 2</i>
<b>FINANCIAL STATEMENTS</b>	
<i>Combined Statements of Financial Position</i>	<i>3</i>
<i>Combined Statements of Activities</i>	<i>4</i>
<i>Combined Statements of Functional Expenses</i>	<i>5 - 8</i>
<i>Combined Statements of Cash Flows</i>	<i>9 - 10</i>
<i>Notes to Combined Financial Statements</i>	<i>11 - 22</i>
<b>INDEPENDENT AUDITOR'S REPORT SUPPLEMENTARY INFORMATION</b>	<i>23</i>
<b>COMBINING INFORMATION:</b>	
<i>Schedule A - Combining Schedule of Financial Position</i>	<i>24</i>
<i>Schedule B - Combining Schedule of Activities</i>	<i>25</i>
<b>SUPPLEMENTARY INFORMATION REQUIRED BY THE STATE OF NEW HAMPSHIRE GOVERNOR'S OFFICE OF STRATEGIC INITIATIVES:</b>	
<i>Schedule of Revenues and Expenses - By Contract</i>	<i>26 - 30</i>
<b>SUPPLEMENTARY INFORMATION REQUIRED BY THE NEW HAMPSHIRE HOUSING FINANCE AUTHORITY</b>	
<i>Whispering Pines II</i>	<i>31 - 37</i>
<i>J.B. Milette Manor</i>	<i>38 - 43</i>
<i>Sherburne Woods</i>	<i>44 - 50</i>

# OUELLETTE & ASSOCIATES, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Mark R. Carrier, C.P.A.  
Michael R. Dunn, C.P.A.  
Jonathan A. Hussey, C.P.A., M.S.T.  
Steven R. Lamontagne, C.P.A.

Gary W. Soucy, C.P.A.  
Gary A. Wigant, C.P.A.  
C. Joseph Wolverton, Jr., C.P.A.

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying combined financial statements of Southern New Hampshire Services, Inc. (a nonprofit organization) and affiliate, which comprise the combined statements of financial position as of July 31, 2019 and 2018, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these combined 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 combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the combined 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 Organization'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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Southern New Hampshire Services, Inc. and affiliate, as of July 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2020, on our consideration of Southern New Hampshire Services, Inc. and affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Southern New Hampshire Services, Inc. and affiliate's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southern New Hampshire Services, Inc. and affiliate's internal control over financial reporting and compliance.

***Ouellette & Associates, P.A.***  
Certified Public Accountants

February 12, 2020  
Lewiston, Maine

## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

## COMBINED STATEMENTS OF FINANCIAL POSITION

JULY 31, 2019 AND 2018

<i>ASSETS</i>		
	<i>2019</i>	<i>2018</i>
<b>CURRENT ASSETS</b>		
Cash	\$ 6,986,538	\$ 5,699,842
Investments	8,405,690	9,085,663
Contracts receivable	3,488,413	4,165,520
Accounts receivable	821,565	836,174
Prepaid expenses	95,197	90,163
Under applied overhead	-	67,750
Total current assets	<u>19,797,403</u>	<u>19,945,112</u>
<b>FIXED ASSETS</b>		
Land	2,697,868	2,571,794
Buildings and improvements	12,530,561	11,610,610
Vehicles and equipment	1,415,271	1,278,185
Total fixed assets	<u>16,643,700</u>	<u>15,460,589</u>
Less - accumulated depreciation	5,237,138	4,964,258
Net fixed assets	<u>11,406,562</u>	<u>10,496,331</u>
<b>OTHER ASSETS</b>		
Restricted cash	411,580	402,738
<b>TOTAL ASSETS</b>	<u>\$ 31,615,545</u>	<u>\$ 30,844,181</u>
<b><i>LIABILITIES AND NET ASSETS</i></b>		
<b>CURRENT LIABILITIES</b>		
Current portion of long-term debt	\$ 109,413	\$ 122,582
Accounts payable	657,676	458,388
Accrued payroll and payroll taxes	1,045,805	1,102,712
Accrued compensated absences	359,819	345,967
Accrued other liabilities	227,703	238,012
Refundable advances	1,028,743	1,309,098
Over applied overhead	27,739	-
Tenant security deposits	84,231	81,801
Total current liabilities	<u>3,541,129</u>	<u>3,658,560</u>
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, less current portion	<u>3,036,025</u>	<u>3,134,219</u>
<b>TOTAL LIABILITIES</b>	<u>6,577,154</u>	<u>6,792,779</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>25,038,391</u>	<u>24,051,402</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 31,615,545</u>	<u>\$ 30,844,181</u>

See independent auditor's report and accompanying notes to the financial statements.

## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

## COMBINED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JULY 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>		
Grant and contract revenue	\$ 37,464,614	\$ 36,935,915
Program service fees	907,560	790,570
Local funding	242,894	318,992
Rental income	1,191,372	994,930
Gifts and contributions	208,728	638,712
Interest and dividend income	314,554	271,590
Unrealized gain on investments	12,233	441,314
Miscellaneous	720,124	640,735
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<u>41,062,079</u>	<u>41,032,758</u>
<b>EXPENSES</b>		
Program services:		
Child development	8,589,865	8,424,337
Community services	1,530,674	1,449,210
Economic and workforce development	6,984,684	7,756,926
Energy	13,414,281	12,777,365
Language and literacy	436,073	370,697
Housing and homeless	263,240	238,541
Nutrition and health	2,527,495	2,486,119
Special projects	1,768,326	1,797,358
Volunteer services	125,050	114,704
SNHS Management Corporation	2,396,939	2,017,381
Total program services	<u>38,036,627</u>	<u>37,432,638</u>
Support services:		
Management and general	2,038,463	1,770,202
<b>TOTAL EXPENSES</b>	<u>40,075,090</u>	<u>39,202,840</u>
<b>CHANGE IN NET ASSETS</b>	986,989	1,829,918
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>24,051,402</u>	<u>22,221,484</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 25,038,391</u>	<u>\$ 24,051,402</u>

See independent auditor's report and accompanying notes to the financial statements.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE  
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED JULY 31, 2019

	Program Services						
	Child Development	Community Services	Economic Workforce Development	Energy	Language and Literacy	Housing and Homeless	Nutrition and Health
<b>EXPENSES</b>							
Payroll	\$ 5,063,755	\$ 958,969	\$ 2,792,330	\$ 1,519,961	\$ 294,501	\$ 104,911	\$ 1,000,035
Payroll taxes	406,991	74,606	220,133	124,867	24,800	8,511	80,427
Fringe benefits	1,350,633	134,639	492,014	389,808	26,683	22,106	222,241
Workers comp. insurance	102,429	8,625	6,948	17,712	736	262	30,682
Retirement benefits	273,637	89,527	182,279	89,727	7,851	6,689	62,967
Consultant and contractual	37,142	70,228	1,595,405	1,770,887	6,505	654	20,695
Travel and transportation	118,863	19,729	78,856	37,134	992	4,110	47,713
Conferences and meetings	-	10,976	-	7,537	225	-	3,471
Occupancy	524,894	58,004	456,078	125,814	28,957	1,020	78,801
Advertising	13,742	25	8,610	1,117	218	-	399
Supplies	243,037	19,254	38,322	57,531	9,422	192	47,201
Equip. rentals and maintenance	12,341	57	13,689	18,308	1,816	-	29,650
Insurance	19,509	24,941	4,905	20,099	-	-	6,966
Telephone	85,487	12,661	27,046	20,468	2,547	385	41,963
Postage	5,522	7	553	30,214	568	58	3,189
Printing and publications	5,268	630	-	-	1,281	-	-
Subscriptions	-	-	446	456	-	-	-
Program support	-	38,256	-	35,312	6,121	-	-
Interest	12,995	-	-	-	-	-	-
Depreciation	64,865	5,920	24,379	10,070	1,045	-	9,920
Assistance to clients	7,800	-	1,066,041	9,156,531	-	114,335	547,988
Other expense	251,015	34,650	19,523	7,118	-	-	299,023
Miscellaneous	35,436	736	1,323	1,813	21,805	7	2,024
In-kind	2,248,292	-	-	-	-	-	-
(Gain) Loss on disposal of assets	-	-	-	125	-	-	-
<b>SUBTOTAL</b>	<b>10,883,653</b>	<b>1,562,440</b>	<b>7,028,880</b>	<b>13,442,609</b>	<b>436,073</b>	<b>263,240</b>	<b>2,535,355</b>
<b>Over applied indirect costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Eliminations</b>	<b>(2,293,788)</b>	<b>(31,766)</b>	<b>(44,196)</b>	<b>(28,328)</b>	<b>-</b>	<b>-</b>	<b>(7,860)</b>
<b>TOTAL EXPENSES</b>	<b>\$ 8,589,865</b>	<b>\$ 1,530,674</b>	<b>\$ 6,984,684</b>	<b>\$ 13,414,281</b>	<b>\$ 436,073</b>	<b>\$ 263,240</b>	<b>\$ 2,527,495</b>

See independent auditor's report and accompanying notes to the financial statements.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE  
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES (Continued)  
 FOR THE YEAR ENDED JULY 31, 2019

	Program Services				Support Services	Total Expenses
	Special Projects	Volunteer Services	SNHS Management Corporation	Total Program Services	Management and General	
<b>EXPENSES</b>						
Payroll	\$ 74,200	\$ 73,480	\$ 492,484	\$ 12,374,626	\$ 1,313,585	\$ 13,688,211
Payroll taxes	6,191	6,004	33,947	986,477	99,061	1,085,538
Fringe benefits	11,699	11,872	209,681	2,871,376	181,973	3,053,349
Workers comp. insurance	2,644	184	10,549	180,771	4,483	185,254
Retirement benefits	2,834	2,369	33,859	751,739	110,189	861,928
Consultant and contractual	1,579,582	478	154,356	5,235,932	90,851	5,326,783
Travel and transportation	4,649	6,554	58,681	377,281	14,194	391,475
Conferences and meetings	3,727	220	16,307	42,463	1,675	44,138
Occupancy	18,040	-	600,154	1,891,762	32,663	1,924,425
Advertising	460	2,444	1,050	28,065	75	28,140
Supplies	3,624	6,599	17,685	442,867	40,709	483,576
Equip. rentals and maintenance	4,167	177	21,671	101,876	768	102,644
Insurance	2,007	1,206	40,184	119,817	19,901	139,718
Telephone	2,253	1,453	19,545	213,808	2,167	215,975
Postage	42	535	1,505	42,193	15,912	58,105
Printing and publications	-	175	-	7,354	-	7,354
Subscriptions	-	900	130	1,932	360	2,292
Program support	4,077	-	43,787	127,553	-	127,553
Interest	-	-	59,264	72,259	-	72,259
Depreciation	35,345	-	347,894	499,438	536	499,974
Assistance to clients	1,492	-	88,251	10,982,438	-	10,982,438
Other expense	11,056	1,550	21,821	645,756	13,055	658,811
Miscellaneous	237	8,850	120,753	192,984	1,283	194,267
In-kind	-	-	-	2,248,292	-	2,248,292
(Gain) Loss on disposal of assets	-	-	3,381	3,506	-	3,506
<b>SUBTOTAL</b>	<b>1,768,326</b>	<b>125,050</b>	<b>2,396,939</b>	<b>40,442,565</b>	<b>1,943,440</b>	<b>42,386,005</b>
<b>Over applied indirect costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,023</b>	<b>95,023</b>
<b>Eliminations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,405,938)</b>	<b>-</b>	<b>(2,405,938)</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,768,326</b>	<b>\$ 125,050</b>	<b>\$ 2,396,939</b>	<b>\$ 38,036,627</b>	<b>\$ 2,038,463</b>	<b>\$ 40,075,090</b>

See independent auditor's report and accompanying notes to the financial statements.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE  
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED JULY 31, 2018

	Program Services						
	Child Development	Community Services	Economic Workforce Development	Energy	Language and Literacy	Housing and Homeless	Nutrition and Health
<b>EXPENSES</b>							
Payroll	\$ 4,957,052	\$ 954,145	\$ 2,665,005	\$ 1,604,803	\$ 260,923	\$ 108,074	\$ 996,641
Payroll taxes	408,351	75,089	211,297	134,215	22,698	8,701	82,048
Fringe benefits	1,165,602	126,449	394,224	368,400	12,404	16,013	205,632
Workers comp. insurance	103,257	9,387	6,542	16,946	651	271	32,119
Retirement benefits	262,948	84,961	173,276	83,274	6,498	6,622	56,860
Consultant and contractual	40,049	26,382	1,534,030	1,575,384	6,614	459	22,816
Travel and transportation	117,346	35,209	64,613	41,310	812	5,490	50,659
Conferences and meetings	-	5,071	-	7,585	65	-	4,786
Occupancy	509,137	57,628	738,328	135,204	24,229	1,020	76,845
Advertising	9,803	-	8,489	1,442	25	-	150
Supplies	374,662	20,349	32,178	65,002	11,743	239	57,054
Equip. rentals and maintenance	21,468	82	39,839	19,776	934	-	23,648
Insurance	19,453	25,393	6,933	19,828	-	-	6,565
Telephone	67,962	22,505	46,995	19,322	2,398	420	44,357
Postage	3,837	201	1,481	34,823	350	82	3,683
Printing and publications	4,679	673	-	304	1,511	275	224
Subscriptions	-	635	-	-	-	-	-
Program support	-	16,178	-	29,907	8,176	-	-
Interest	11,962	-	-	-	-	-	-
Depreciation	54,064	5,920	7,900	13,280	1,144	-	1,468
Assistance to clients	7,800	-	1,826,232	8,613,799	-	90,875	528,940
Other expense	246,533	10,013	32,666	18,899	-	-	294,475
Miscellaneous	83,868	446	11,094	2,190	9,522	-	5,009
In-kind	2,269,028	-	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-	-	-
<b>SUBTOTAL</b>	<b>10,738,861</b>	<b>1,476,716</b>	<b>7,801,122</b>	<b>12,805,693</b>	<b>370,697</b>	<b>238,541</b>	<b>2,493,979</b>
<b>Over applied indirect costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Eliminations</b>	<b>(2,314,524)</b>	<b>(27,506)</b>	<b>(44,196)</b>	<b>(28,328)</b>	<b>-</b>	<b>-</b>	<b>(7,860)</b>
<b>TOTAL EXPENSES</b>	<b>\$ 8,424,337</b>	<b>\$ 1,449,210</b>	<b>\$ 7,756,926</b>	<b>\$ 12,777,365</b>	<b>\$ 370,697</b>	<b>\$ 238,541</b>	<b>\$ 2,486,119</b>

See independent auditor's report and accompanying notes to the financial statements.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE  
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES (Continued)  
 FOR THE YEAR ENDED JULY 31, 2018

	Program Services				Support Services	Total Expenses
	Special Projects	Volunteer Services	SNHS	Total Program Services	Management and General	
			Management Corporation			
<b>EXPENSES</b>						
Payroll	\$ 63,372	\$ 75,363	\$ 422,932	\$12,108,310	\$ 1,258,069	\$13,366,379
Payroll taxes	5,433	6,159	42,979	996,970	96,197	1,093,167
Fringe benefits	1,447	13,772	137,202	2,441,145	154,995	2,596,140
Workers comp. insurance	2,427	188	8,844	180,632	4,341	184,973
Retirement benefits	2,305	3,179	44,515	724,438	113,858	838,296
Consultant and contractual	1,630,101	448	171,365	5,007,648	70,685	5,078,333
Travel and transportation	2,655	1,698	55,755	375,547	10,124	385,671
Conferences and meetings	3,706	-	26,557	47,770	770	48,540
Occupancy	13,874	-	470,606	2,026,871	25,489	2,052,360
Advertising	75	25	83	20,092	125	20,217
Supplies	3,181	2,557	9,617	576,582	58,000	634,582
Equip. rentals and maintenance	(23)	79	8,837	114,640	878	115,518
Insurance	1,353	1,226	34,976	115,727	13,745	129,472
Telephone	2,854	1,332	14,613	222,758	3,890	226,648
Postage	-	271	940	45,668	17,288	62,956
Printing and publications	-	38	-	7,704	913	8,617
Subscriptions	-	1,000	551	2,186	-	2,186
Program support	22,782	-	101,335	178,378	-	178,378
Interest	-	-	43,543	55,505	-	55,505
Depreciation	25,062	-	317,695	426,533	536	427,069
Assistance to clients	19,869	-	26,984	11,114,499	-	11,114,499
Other expense	867	2,767	3,836	610,056	6,398	616,454
Miscellaneous	188	4,602	71,187	188,106	1,651	189,757
In-kind	-	-	-	2,269,028	-	2,269,028
Loss on disposal of assets	(4,170)	-	2,429	(1,741)	-	(1,741)
<b>SUBTOTAL</b>	<u>1,797,358</u>	<u>114,704</u>	<u>2,017,381</u>	<u>39,855,052</u>	<u>1,837,952</u>	<u>41,693,004</u>
<b>Over applied indirect costs</b>	-	-	-	-	(67,750)	(67,750)
<b>Eliminations</b>	-	-	-	(2,422,414)	-	(2,422,414)
<b>TOTAL EXPENSES</b>	<u>\$ 1,797,358</u>	<u>\$ 114,704</u>	<u>\$ 2,017,381</u>	<u>\$37,432,638</u>	<u>\$ 1,770,202</u>	<u>\$39,202,840</u>

See independent auditor's report and accompanying notes to the financial statements.

## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

## COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JULY 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	<u>\$ 986,989</u>	<u>\$ 1,829,918</u>
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	499,974	427,069
(Gain) loss on disposal of assets	3,506	(1,741)
Donation of low-income housing projects	-	(283,644)
Unrealized gain on investments	(12,233)	(441,314)
(Increase) decrease in operating assets:		
Contracts receivable	677,107	(374,696)
Accounts receivable	14,609	(245,068)
Prepaid expenses	(5,034)	(11,575)
Under applied overhead	67,750	46,174
Increase (decrease) in operating liabilities:		
Accounts payable	199,288	(38,707)
Accrued payroll and payroll taxes	(56,907)	(227,656)
Accrued compensated absences	13,852	19,686
Accrued other liabilities	(10,309)	(231,349)
Refundable advances	(280,355)	171,410
Over applied overhead	27,739	-
Tenant security deposits	2,430	(3,501)
Total adjustments	<u>1,141,417</u>	<u>(1,194,912)</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>2,128,406</u>	<u>635,006</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,430,211)	(511,155)
Proceeds from sale of fixed assets	16,500	4,170
Purchase of investments, reinvested dividends, and capital gains	(307,794)	(269,044)
Proceeds from sale of investments	1,000,000	-
Deposit to restricted cash accounts	(8,842)	(191,550)
Cash received on acquisition of housing project	-	256,536
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>(730,347)</u>	<u>(711,043)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on long-term debt	<u>(111,363)</u>	<u>(113,517)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,286,696</b>	<b>(189,554)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>5,699,842</u>	<u>5,889,396</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 6,986,538</u>	<u>\$ 5,699,842</u>

See independent auditor's report and accompanying notes to the financial statements.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE  
 COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)  
 FOR THE YEARS ENDED JULY 31, 2019 AND 2018

---

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

	<i>2019</i>	<i>2018</i>
Cash paid during the year for interest	<b>\$ 72,259</b>	<b>\$ 55,505</b>
Noncash investing and financing activities:		
Acquisition of low-income housing projects:		
Other current assets	\$ -	\$ 3,677
Property and equipment	-	1,106,200
Other liabilities	-	(164,006)
Notes payable	-	(918,763)
Equity acquired	-	(283,644)
	-	(256,536)
Cash received on acquisition	-	256,536
	<b>\$ -</b>	<b>\$ -</b>

See independent auditor's report and accompanying notes to the financial statements.

## NOTES TO COMBINED FINANCIAL STATEMENTS

JULY 31, 2019 AND 2018

---

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Nature of the Organization**

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

**Basis of Accounting and Presentation**

The Organization prepares its combined financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; and accordingly reflect all significant receivables, payables, and other liabilities. The financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Under ASU 2016-14, net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

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

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

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

The Organization has no net assets with donor restrictions at July 31, 2019 and 2018.

**Combined Financial Statements**

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

**Use of Estimates**

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

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2019 AND 2018

---

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Cash and Cash Equivalents**

For the purpose of the combined statements of cash flows, the Organization considers all unrestricted highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Current Vulnerabilities Due to Certain Concentrations**

The Organization maintains its cash balances at several financial institutions located in New Hampshire and Maine. The balances are insured by the Federal Deposit Insurance Organization (FDIC) up to \$250,000 per financial institution. In addition, on October 2, 2008, the Organization entered into an agreement with its principal banking partner to collateralize deposits in excess of the FDIC insurance limitation on some accounts. The balances, at times, may exceed amounts covered by the FDIC and collateralization agreements. It is the opinion of management that there is no significant risk with respect to these deposits at either July 31, 2019 or 2018.

**Accounts and Contracts Receivable**

All accounts and contracts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Receivables are recorded on the accrual basis of accounting primarily based on reimbursable contracts, grants and agreements. Balances outstanding after management has used reasonable collection efforts are written off through a charge to bad debt expense and a credit to the applicable accounts receivable. Management does not believe an allowance for uncollectible accounts receivable is necessary at July 31, 2019 and 2018.

**Revenue Recognition**

The Organization's revenue is recognized primarily from federal and state grants and contracts generally structured as reimbursed contracts for services and therefore revenue is recognized based on when their individual allowable budgeted expenditures occur. Refundable advances result from unexpended balances from these exchange transactions. Federal and state grant revenue comprised approximately 91% and 90% of total revenue in the fiscal years ended July 31, 2019 and 2018, respectively.

**Contributions and In-Kind Donations**

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions, if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions. In-kind revenues and expenses represent fair market value of volunteer services and non-paid goods which were donated to the Organization during the current fiscal year. All in-kind revenues in the fiscal year 2019 and 2018 were generated through the Head Start and Economic Workforce Development programs. Since the recognition criteria is not met, no in-kind revenues are recognized as contributions in the combined financial statements and the in-kind expenses have been eliminated.

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2019 AND 2018

---

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Investments**

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

**Fixed Assets**

Fixed assets acquired by the Organization are capitalized at cost if purchased or fair value if donated. It is the Organization's policy to capitalize expenditures for these items in excess of \$5,000. Major additions and renewals are capitalized, while repairs and maintenance are expensed as incurred. Depreciation is calculated using the straight-line basis over the estimated useful lives of the assets, which range from three to forty years. Depreciation expense for July 31, 2019 and 2018 was \$499,974 and \$427,069, respectively.

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

**Advertising**

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

**Functional Allocation of Expenses**

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

*Management and General* - includes all activities related to the Organization's internal management.

**Subsequent Events**

Management has made an evaluation of subsequent events through February 12, 2020, which represents the date on which the combined financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of these combined financial statements.

## NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2019 AND 2018

---

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Recently Adopted Accounting Pronouncements**

In August 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow the not-for-profit reporting model. The changes include reducing the classes of net assets from three to two – net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by the Organization, including required disclosures about liquidity and availability of resources.

The new standard is effective for the Organization's year ending July 31, 2019 and thereafter and must be applied on a retrospective basis. The Organization adopted the ASU effective August 1, 2018. Adoption of the ASU did not result in any reclassifications or restatements of net assets or changes in net assets.

**Recent Accounting Pronouncements***Revenue Recognition*

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and International Financial Reporting Standards. The core principle of the guidance requires entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance is effective for the Organization's year ending July 31, 2020. Management is currently evaluating the impact of adoption on the Organization's financial statements.

*Leases*

In February 2016, the FASB released ASU 2016-02, *Leases* (Topic 842), which provides users of the financial statements a more accurate picture of the assets and the long-term financial obligations of organizations that lease. The standard is for a dual-model approach; a lessee will account for most existing capital leases as Type A leases, and most existing operating leases as Type B leases. Both will be reported on the statement of financial condition of the organization for leases with a term exceeding 12 months. Lessors will see changes as well, primarily made to align with the revised model. The guidance is effective for the Organization's year ended July 30, 2022. Management is currently evaluating the impact of adoption on the Organization's financial statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2019 AND 2018

---

NOTE 2: RESTRICTED CASH

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

NOTE 3: FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements*, are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs that are unobservable for the asset or liability.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at July 31, 2019 and 2018.

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

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2019 AND 2018

NOTE 3: FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of July 31, 2019 and 2018:

2019				
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
<b>Mutual Funds</b>	<b><u>\$8,405,690</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$8,405,690</u></b>
2018				
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Mutual Funds	<u>\$9,085,663</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$9,085,663</u>

NOTE 4: INVESTMENTS

The following is a summary of investments as of July 31:

2019			2018			
	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gains</u>	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gains</u>
Mutual Funds	<b><u>\$8,313,068</u></b>	<b><u>\$8,405,690</u></b>	<b><u>\$ 92,622</u></b>	<u>\$9,005,274</u>	<u>\$9,085,663</u>	<u>\$ 80,389</u>

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

	<u>2019</u>	<u>2018</u>
Fair Value - Beginning of Year	<b><u>\$9,085,663</u></b>	<u>\$8,375,305</u>
Dividends and Capital Gains	<b><u>307,794</u></b>	<u>269,044</u>
Sale of Investments	<b><u>(1,000,000)</u></b>	<u>-</u>
Unrealized Gains	<b><u>12,233</u></b>	<u>441,314</u>
Fair Value - End of Year	<b><u>\$8,405,690</u></b>	<u>\$9,085,663</u>

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2019 AND 2018

---

NOTE 5: AVAILABILITY AND LIQUIDITY

The Organization's financial assets available for expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise the following as of July 31, 2019:

Cash and Cash Equivalents	\$ 6,986,538
Investments	8,405,690
Contracts Receivable	3,488,413
Accounts Receivable	<u>821,565</u>
Total financial assets available within one year	<u>19,702,206</u>
 Total financial assets available within one year	 <u>\$19,702,206</u>

None of the financial assets are subject to donor or other contractual restrictions. Accordingly, all such funds are available to meet the needs of the Organization in the next 12 months. In addition, the Organization maintains several reserve funds for property taxes, insurance expenses, and repair and replacement or emergency needs which are required by financing authorities. These funds may be withdrawn only with the approval of the financing authority and are not considered by the Organization to have donor restrictions.

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

NOTE 6: LONG-TERM DEBT

The following is a summary of long-term debt as of July 31:

	<u>2019</u>	<u>2018</u>
<u>SNHS, Inc.</u>		
Mortgage payable to City of Manchester, secured by real estate located in Manchester, NH. A balloon payment of \$11,275 was due on June 30, 2010. Interest is at 0.000%. SNHS, Inc. is currently negotiating with the City of Manchester to write off this debt.	\$ 11,275	\$ 11,275
Mortgage payable to bank, secured by real estate located on Temple St., Nashua, NH, payable in fixed monthly principal installments of \$1,833 plus interest through 2020. Interest is at 4.984% and 4.000% at July 31, 2019 and 2018.	<u>238,669</u>	<u>260,669</u>
<u>Subtotal</u>	<u>\$ 249,944</u>	<u>\$ 271,944</u>

## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

## NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2019 AND 2018

NOTE 6: LONG-TERM DEBT (Continued)

	<u>2019</u>	<u>2018</u>
<u>Subtotal Carried Forward</u>	<u>\$ 249,944</u>	<u>\$ 271,944</u>
<u>SNHS Management Corporation</u>		
Mortgage payable to New Hampshire Housing Authority secured by real estate located on Pleasant St., Epping, NH, payable in monthly installments of \$1,084 including interest through 2042. Interest is at 3.500%.	200,514	206,400
Mortgage payable to City of Nashua secured by real estate located on Vine St., Nashua, NH. Mortgage will be forgiven only if real estate remains low income housing for 30 years. Interest is at 10.000%, forgiven annually.	900,000	900,000
Note payable to City of Nashua secured by real estate located on Vine St., Nashua, NH. Mortgage will be forgiven only if real estate remains low income housing for 30 years. Interest is at 10.000%, forgiven annually.	20,000	20,000
Mortgage payable to New Hampshire Community Loan Fund secured by real estate located on, Vine St., Nashua, NH. Mortgage will be forgiven only if real estate remains low income housing for 30 years. Interest is at 10.000%, forgiven annually.	250,000	250,000
Mortgage payable to bank, secured by real estate located on West Pearl St., Nashua, NH. Mortgage will be forgiven only if real estate remains low income housing for 40 years. Interest is at 0.000%.	170,000	170,000
Mortgage payable to bank secured by real estate located on Silver St., Manchester, NH, payable in monthly installments of \$2,619 including interest through 2019. Interest is at 3.750%.	-	15,661
Mortgage payable to bank, secured by real estate located on Allds St., Nashua, NH, payable in fixed monthly principal installments of \$2,613 plus interest through 2021. Interest is at 4.980% and 4.832% at July 31, 2019 and 2018.	57,487	88,844
Mortgage payable to MH Parsons and Sons Lumber, secured by real estate located in Derry, NH, payable in monthly installments of \$3,715 including interest through 2031. Interest is at 5.500%.	<u>396,455</u>	<u>418,612</u>
<u>Subtotal</u>	<u>\$2,244,400</u>	<u>\$2,341,461</u>

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2019 AND 2018

NOTE 6: LONG-TERM DEBT (Continued)

	<u>2019</u>	<u>2018</u>
<u>Subtotal Carried Forward</u>	<u>\$2,244,400</u>	<u>\$2,341,461</u>
Mortgage payable to New Hampshire Housing Authority secured by real estate located in Deerfield, NH, payable in monthly installments of \$3,327 including interest through 2033. Interest is at 7.000%.	<b>358,114</b>	372,416
Mortgage payable to New Hampshire Housing Authority secured by real estate located in Deerfield, NH with annual principal repayments equal to 25% of cash surplus due through 2032. Interest is at 0.000%.	<b>392,924</b>	392,924
Mortgage payable to New Hampshire Housing Authority secured by real estate located in Deerfield, NH with annual principal repayments equal to 25% of cash surplus due through 2032. Interest is at 0.000%.	<u>150,000</u>	<u>150,000</u>
	<b>3,145,438</b>	3,256,801
Less: Current Portion	<u>109,413</u>	<u>122,582</u>
Long-term debt, net of current portion	<u>\$3,036,025</u>	<u>\$3,134,219</u>

Principal maturities of long-term debt are as follows:

2020	\$ 109,413
2021	290,223
2022	50,228
2023	53,206
2024	56,366
Thereafter	<u>2,586,002</u>
Total	<u>\$3,145,438</u>

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2019 AND 2018

---

NOTE 7: OPERATING LEASES

The Organization leases various facilities and equipment under several operating leases. Total lease payments for the years ended July 31, 2019 and 2018 equaled \$686,840 and \$708,379, respectively. The leases expire at various times through October 2020. Some of the leases contain renewal options that are contingent upon federal funding and some contain renewal options subject to renegotiation of lease terms.

The following is a schedule of future minimum lease payments for the operating leases as of July 31, 2019:

2020	\$ 319,979
2021	<u>33,189</u>
Total	<u>\$ 353,168</u>

NOTE 8: RETIREMENT BENEFITS

The Organization has an Employer-Sponsored 403(b) plan offering coverage to all of its employees. Participating employees must contribute at least 1% of their wages, while the Organization contributes 10% of their wages. The pension expense for the years ended July 31, 2019 and 2018 was \$861,928 and \$838,296, respectively.

NOTE 9: RISKS AND UNCERTAINTIES

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

NOTE 10: CONTINGENCIES AND CONTINGENT LIABILITIES

The Organization receives contract 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 yet been determined.

Cotton Mill Square

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

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2019 AND 2018

---

NOTE 10: CONTINGENCIES AND CONTINGENT LIABILITIES (Continued)

**Cotton Mill Square (Continued)**

As stipulated by the contract and after a 20% program fee retained by the CDFA, SNHS Management Corporation entered into a subrecipient agreement with the owners of the Project (Cotton Mill Square LLC) to provide a promissory note and mortgage of the remaining award amount of \$800,000. The 20 year note to Cotton Mill Square LLC is non-interest bearing and the principal is forgivable at a rate of 5% each year the Project maintains the required minimum of 55 low to moderate income household units.

The Cotton Mill Square Project was awarded the certificate of occupancy on August 22, 2014 and remains in full compliance with the required regulations as of July 31, 2019 and 2018. SNHS Management Corporation feels that it is extremely unlikely that the Project will fall into noncompliance in future periods. Therefore, SNHS Management Corporation has not recorded any contingent receivable or liability related to this transaction. The note repayment is accelerated if the units fall out of compliance.

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

**J. Brown Homestead Property**

On July 1, 2011, Rockingham Community Acton (RCA) was acquired by SNHS. As part of this merger, SNHS assumed all the assets, liabilities and obligations of RCA which included the J. Brown Homestead Property.

The J. Brown Homestead Property was conveyed to RCA in 1999 by the Town of Raymond for \$1 and a mortgage lien of \$604,418. The property contains four apartments limited to low-income seniors, office space for the Outreach operations, space for the Food Pantry operation, and a common meeting room for use by Town of Raymond organizations. The Town of Raymond included a requirement that the property be used for a social service center for a period of 20 years, called the benefit period, after which this requirement terminates.

In the event that SNHS sells or otherwise conveys the property within the benefit period, the remaining lien will be either paid from the proceeds of the sale or remain with the land to any subsequent purchaser for the remaining benefit period.

This mortgage lien has no scheduled principal or interest payments and is forgivable at a rate of 5% each year of the benefit period until it is completely forgiven in year 2019. The value of this lien at July 31, 2019 and 2018 is \$30,221 and \$60,442, respectively. SNHS has no plans to sell or transfer this property. Therefore, the contingent mortgage lien liability has not been included in the financial statements.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2019 AND 2018

---

NOTE 11: ACQUISITIONS OF LOW-INCOME HOUSING PROJECTS

During 2017, SNHS Management Corporation acquired SNHS Deerfield Elderly Housing Limited Partnership (Sherburne Woods), located in Deerfield, NH. SNHS Management Corporation obtained the project operations and assumed all assets, liabilities, debt and equity for the project at fair market value. The acquisition and allocation of the project was as follows:

Cash	\$ 256,536
Other Current Assets	3,677
Property and Equipment	1,106,200
Current Liabilities	(164,006)
Notes Payable	(918,763)
Equity Acquired (Contribution)	<u>(283,644)</u>
	\$ <u>          -</u>

# OUELLETTE & ASSOCIATES, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Mark R. Carrier, C.P.A.  
Michael R. Dunn, C.P.A.  
Jonathan A. Hussey, C.P.A., M.S.T.  
Steven R. Lamontagne, C.P.A.

Gary W. Soucy, C.P.A.  
Gary A. Wigant, C.P.A.  
C. Joseph Wolverton, Jr., C.P.A.

## *INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION*

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

We have audited the combined financial statements of Southern New Hampshire Services, Inc. (a nonprofit organization) and affiliate as of and for the years ended July 31, 2019 and 2018, and our report thereon dated February 12, 2020, which expressed an unmodified opinion on those combined financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole.

The combining information in Schedules A and B (pages 24-25), the schedules of revenues and expenses - by contract (pages 26-30), required by the State of New Hampshire Governor's Office of Strategic Initiatives, and the required schedules and financial information for Whispering Pines II, J.B. Milette Manor, and Sherburne Woods (pages 31-50), required by the New Hampshire Housing Finance Authority are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Ouellette & Associates, P.A.*

Certified Public Accountants

February 12, 2020  
Lewiston, Maine

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE  
 COMBINING SCHEDULE OF FINANCIAL POSITION  
 JULY 31, 2019

	SNHS, Inc.	SNHS Management Corporation	Sub-Total	Elimination	Total
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 138,227	\$ 6,848,311	\$ 6,986,538	\$ -	\$ 6,986,538
Investments	-	8,405,690	8,405,690	-	8,405,690
Contracts receivable	3,485,878	2,535	3,488,413	-	3,488,413
Accounts receivable	-	821,565	821,565	-	821,565
Prepaid expenses	49,279	45,918	95,197	-	95,197
Due from other corporations	3,576,334	(187,656)	3,388,678	(3,388,678)	-
Total current assets	<u>7,249,718</u>	<u>15,936,363</u>	<u>23,186,081</u>	<u>(3,388,678)</u>	<u>19,797,403</u>
<b>FIXED ASSETS</b>					
Land	266,860	2,431,008	2,697,868	-	2,697,868
Buildings and improvements	1,724,046	10,806,515	12,530,561	-	12,530,561
Vehicles and equipment	1,091,613	323,658	1,415,271	-	1,415,271
Total fixed assets	<u>3,082,519</u>	<u>13,561,181</u>	<u>16,643,700</u>	<u>-</u>	<u>16,643,700</u>
Less - accumulated depreciation	1,371,135	3,866,003	5,237,138	-	5,237,138
Net fixed assets	<u>1,711,384</u>	<u>9,695,178</u>	<u>11,406,562</u>	<u>-</u>	<u>11,406,562</u>
<b>OTHER ASSETS</b>					
Restricted cash	27,603	383,977	411,580	-	411,580
<b>TOTAL ASSETS</b>	<u>\$ 8,988,705</u>	<u>\$ 26,015,518</u>	<u>\$ 35,004,223</u>	<u>\$ (3,388,678)</u>	<u>\$ 31,615,545</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Current portion of long-term debt	\$ 33,275	\$ 76,138	\$ 109,413	\$ -	\$ 109,413
Accounts payable	556,554	101,122	657,676	-	657,676
Accrued payroll and payroll taxes	160,191	885,614	1,045,805	-	1,045,805
Accrued compensated absences	-	359,819	359,819	-	359,819
Accrued other liabilities	134,613	93,090	227,703	-	227,703
Refundable advances	908,744	119,999	1,028,743	-	1,028,743
Over applied overhead	27,739	-	27,739	-	27,739
Tenant security deposits	26,941	57,290	84,231	-	84,231
Due to other corporations	2,277,364	1,111,314	3,388,678	(3,388,678)	-
Total current liabilities	<u>4,125,421</u>	<u>2,804,386</u>	<u>6,929,807</u>	<u>(3,388,678)</u>	<u>3,541,129</u>
<b>LONG-TERM LIABILITIES</b>					
Long-term debt, less current portion	216,669	2,819,356	3,036,025	-	3,036,025
<b>TOTAL LIABILITIES</b>	<u>4,342,090</u>	<u>5,623,742</u>	<u>9,965,832</u>	<u>(3,388,678)</u>	<u>6,577,154</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>4,646,615</u>	<u>20,391,776</u>	<u>25,038,391</u>	<u>-</u>	<u>25,038,391</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 8,988,705</u>	<u>\$ 26,015,518</u>	<u>\$ 35,004,223</u>	<u>\$ (3,388,678)</u>	<u>\$ 31,615,545</u>

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE  
 COMBINING SCHEDULE OF ACTIVITIES  
 FOR THE YEAR ENDED JULY 31, 2019

	SNHS, Inc.	SNHS Management Corporation	Sub-Total	Elimination	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>					
Grant/contract revenue	\$ 37,485,052	\$ -	\$ 37,485,052	\$ (20,438)	\$ 37,464,614
Program service fees	55,802	851,758	907,560	-	907,560
Local funding	-	242,894	242,894	-	242,894
Rental income	-	1,191,372	1,191,372	-	1,191,372
Gifts and contributions	192,066	16,662	208,728	-	208,728
Interest Income	169	314,385	314,554	-	314,554
Unrealized gain on investments	-	12,233	12,233	-	12,233
In-kind	2,248,292	-	2,248,292	(2,248,292)	-
Miscellaneous	561,114	296,218	857,332	(137,208)	720,124
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<b>40,542,495</b>	<b>2,925,522</b>	<b>43,468,017</b>	<b>(2,405,938)</b>	<b>41,062,079</b>
<b>EXPENSES</b>					
Program services:					
Child Development	10,883,653	-	10,883,653	(2,293,788)	8,589,865
Community Services	1,562,440	-	1,562,440	(31,766)	1,530,674
Economic and Workforce Dev.	7,028,880	-	7,028,880	(44,196)	6,984,684
Energy	13,442,609	-	13,442,609	(28,328)	13,414,281
Language and Literacy	436,073	-	436,073	-	436,073
Housing and Homeless	263,240	-	263,240	-	263,240
Nutrition and Health	2,535,355	-	2,535,355	(7,860)	2,527,495
Special Projects	1,768,326	-	1,768,326	-	1,768,326
Volunteer Services	125,050	-	125,050	-	125,050
SNHS Management Corporation	-	2,396,939	2,396,939	-	2,396,939
Total program services	38,045,626	2,396,939	40,442,565	(2,405,938)	38,036,627
Support services:					
Management and general	2,038,463	-	2,038,463	-	2,038,463
<b>TOTAL EXPENSES</b>	<b>40,084,089</b>	<b>2,396,939</b>	<b>42,481,028</b>	<b>(2,405,938)</b>	<b>40,075,090</b>
<b>CHANGE IN NET ASSETS</b>	<b>458,406</b>	<b>528,583</b>	<b>986,989</b>	<b>-</b>	<b>986,989</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>4,188,209</b>	<b>19,863,193</b>	<b>24,051,402</b>	<b>-</b>	<b>24,051,402</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 4,646,615</b>	<b>\$ 20,391,776</b>	<b>\$ 25,038,391</b>	<b>\$ -</b>	<b>\$ 25,038,391</b>

## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

## SCHEDULE OF REVENUES AND EXPENSES - BY CONTRACT

FOR THE YEAR ENDED JULY 31, 2019

State of NH Governor's Office of Strategic Initiatives

Headstart Program

For the Period

August 1, 2018 to July 31, 2019

Fund # 305

**REVENUES**

Program funding	\$ 5,039,103
In-kind	1,814,481
Allocated corporate unrestricted revenue	<u>6,836</u>
Total revenue	<u>6,860,420</u>

**EXPENSES**

Payroll	2,697,294
Payroll taxes	218,305
Fringe benefits	780,937
Workers comp. insurance	60,479
Retirement benefits	153,904
Consultant and contractual	17,613
Travel and transportation	60,852
Occupancy	287,314
Advertising	2,526
Supplies	152,726
Equip. rentals and maintenance	3,510
Insurance	14,273
Telephone	33,563
Postage	1,974
Printing and publications	4,732
Depreciation	12,114
Assistance to clients	7,800
Other expense	75,688
Miscellaneous	11,663
In-kind	1,814,481
Administrative costs	<u>448,672</u>
Total expenses	<u>6,860,420</u>

Excess of expenses over revenue	<u><u>\$ -</u></u>
---------------------------------	--------------------

## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

## SCHEDULE OF REVENUES AND EXPENSES - BY CONTRACT

FOR THE YEAR ENDED JULY 31, 2019

State of NH Governor's Office of Strategic Initiatives

LIHEAP Program

For the Period

October 1, 2018 to July 31, 2019

Fund # 630-18

**REVENUES**

Program funding	\$ 9,747,059
Other revenue	32,647
Allocated corporate unrestricted revenue	<u>2,351</u>
Total revenue	<u>9,782,057</u>

**EXPENSES**

Payroll	373,879
Payroll taxes	30,932
Fringe benefits	124,779
Workers comp. insurance	1,142
Retirement benefits	20,174
Consultant and contractual	19,965
Travel and transportation	6,194
Conference and meetings	333
Occupancy	44,865
Advertising	213
Supplies	20,929
Equip. rentals and maintenance	2,026
Insurance	982
Telephone	8,025
Postage	17,592
Subscriptions	228
Program support	28,048
Depreciation	5,158
Assistance to clients	9,010,973
Other expense	344
Miscellaneous	830
Administrative costs	<u>64,446</u>
Total expenses	<u>9,782,057</u>
Excess of expenses over revenue	<u>\$ -</u>

## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

## SCHEDULE OF REVENUES AND EXPENSES - BY CONTRACT

FOR THE YEAR ENDED JULY 31, 2019

State of NH Governor's Office of Strategic Initiatives

LIHEAP Program

For the Period

August 1, 2018 to September 30, 2018

Fund # 630-17

**REVENUES**

Program funding	\$ 160,224
Total revenue	<u>160,224</u>

**EXPENSES**

Payroll	77,917
Payroll taxes	6,149
Fringe benefits	21,229
Workers comp. insurance	241
Retirement benefits	3,615
Consultant and contractual	5,940
Travel and transportation	1,465
Occupancy	10,321
Supplies	4,820
Equip. rentals and maintenance	651
Insurance	711
Telephone	1,467
Postage	786
Program support	6,779
Assistance to clients	3,254
Other expense	1,495
Miscellaneous	257
Administrative costs	13,127
Total expenses	<u>160,224</u>

Excess of expenses over revenue	<u><u>\$ -</u></u>
---------------------------------	--------------------

## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

## SCHEDULE OF REVENUES AND EXPENSES - BY CONTRACT

FOR THE YEAR ENDED JULY 31, 2019

State of NH Governor's Office of Strategic Initiatives

Early Headstart Program

For the Period

August 1, 2018 to July 31, 2019

Fund # 300

**REVENUES**

Program funding	\$ 1,370,247
In-kind	342,470
Allocated corporate unrestricted revenue	<u>3,013</u>
Total revenue	<u>1,715,730</u>

**EXPENSES**

Payroll	716,548
Payroll taxes	57,878
Fringe benefits	168,507
Workers comp. insurance	15,925
Retirement benefits	29,603
Consultant and contractual	3,392
Travel and transportation	7,089
Occupancy	112,627
Advertising	876
Supplies	42,113
Equip. rentals and maintenance	1,106
Insurance	2,465
Telephone	22,665
Postage	55
Printing and publications	536
Interest	12,995
Depreciation	25,036
Other expense	30,647
Miscellaneous	2,770
In-kind	342,470
Administrative costs	<u>120,427</u>
Total expenses	<u>1,715,730</u>

Excess of expenses over revenue	<u><u>\$ -</u></u>
---------------------------------	--------------------

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

SCHEDULE OF REVENUES AND EXPENSES - BY CONTRACT

FOR THE YEAR ENDED JULY 31, 2019

Electric Energy Assistance

For the Period

August 1, 2018 to July 31, 2019

Fund # 665

**REVENUES**

Other revenue	\$ 716,563
Allocated corporate unrestricted revenue	37,230
Total revenue	<u>753,793</u>

**EXPENSES**

Payroll	399,246
Payroll taxes	32,852
Fringe benefits	102,830
Workers comp. insurance	1,315
Retirement benefits	17,554
Consultant and contractual	24,257
Travel and transportation	4,788
Conference and meetings	333
Occupancy	54,763
Advertising	138
Supplies	23,231
Equip. rentals and maintenance	2,677
Insurance	1,606
Telephone	9,558
Postage	11,355
Subscriptions	228
Depreciation	600
Other expense	344
Miscellaneous	466
Administrative costs	65,652
Total expenses	<u>753,793</u>

Excess of expenses over revenue	<u><u>\$ -</u></u>
---------------------------------	--------------------

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

STATEMENTS OF FINANCIAL POSITION

JULY 31, 2019 AND 2018

<b>ASSETS</b>		
	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash - Operations	\$ 18,732	28,635
Tenant Accounts Receivable	-	509
Prepaid Expenses	6,035	6,035
Total Current Assets	24,767	35,179
<b>DEPOSITS HELD IN TRUST, FUNDED</b>		
Tenant Security Deposits	13,294	12,708
<b>RESTRICTED DEPOSITS AND FUNDED RESERVES</b>		
Replacement Reserve	30,028	36,414
Operating Reserve	78,399	76,953
Tax Escrow	23,456	7,270
Insurance Escrow	4,858	4,758
Total Restricted Deposits and Funded Reserves	136,741	125,395
<b>RENTAL PROPERTY</b>		
Land	166,600	166,600
Building and Building Improvements	580,758	569,400
Total Rental Property	747,358	736,000
Less Accumulated Depreciation	43,447	28,068
Net Rental Property	703,911	707,932
<b>TOTAL ASSETS</b>	<b>\$ 878,713</b>	<b>\$ 881,214</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Mortgage Loan Payable	\$ 6,096	\$ 5,886
Accounts Payable	1,734	2,729
Accrued Expenses	944	62
Total Current Liabilities	8,774	8,677
<b>DEPOSIT LIABILITIES</b>		
Tenant Security Deposit Liability	13,294	12,708
<b>LONG-TERM LIABILITIES</b>		
Due to Affiliate	32,103	15,947
Mortgage Loan Payable, Net of Current Portion	194,418	200,514
Total Long-Term Liabilities	226,521	216,461
Total Liabilities	248,589	237,846
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>630,124</b>	<b>643,368</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 878,713</b>	<b>\$ 881,214</b>

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

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JULY 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>RENTAL OPERATIONS</b>		
<i>Income</i>		
Tenant Rental Income	\$ 172,681	\$ 172,715
Laundry Income	2,235	2,215
Other Income	1,470	7,555
Interest Income - Unrestricted	15	30
Interest Income - Restricted	2,490	1,296
Total Income	<u>178,891</u>	<u>183,811</u>
<i>Expenses (See Schedule)</i>		
Administrative	50,777	21,821
Utilities	43,570	33,879
Maintenance	41,670	63,734
Depreciation	15,380	14,316
Interest - NHHFA Mortgage Note	7,130	7,332
General Expenses	33,608	33,966
Total Expenses	<u>192,135</u>	<u>175,048</u>
<b>CHANGE IN NET ASSETS</b>	<b>(13,244)</b>	8,763
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>643,368</u>	<u>634,605</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 630,124</u>	<u>\$ 643,368</u>

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

SCHEDULES OF RENTAL OPERATIONS EXPENSES  
FOR THE YEARS ENDED JULY 31, 2019 AND 2018

<b>EXPENSES:</b>	<i><b>2019</b></i>	<i><b>2018</b></i>
<u>Administrative</u>		
Advertising	\$ -	\$ 8
Management Fees	14,400	14,400
Salaries and Wages	20,002	2,209
Fringe Benefits	3,415	126
Investment Fee	6,120	-
Legal Expenses	-	69
Telephone	3,128	2,973
Other Administrative Expense	3,712	2,036
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>50,777</b>	<b>21,821</b>
<u>Utilities</u>		
Electricity	19,750	18,406
Fuel	13,124	7,655
Water and Sewer	10,214	7,818
Other Utility Expense	482	-
<b>TOTAL UTILITY EXPENSE</b>	<b>43,570</b>	<b>33,879</b>
<u>Maintenance</u>		
Custodial Supplies	692	320
Trash Removal	2,160	1,260
Snow Removal	10,296	16,710
Grounds/Landscaping	-	1,150
Elevator Repairs and Contract	2,764	2,920
Repairs (Materials)	25,758	17,374
Operation (Contract)	-	24,000
<b>TOTAL MAINTENANCE EXPENSE</b>	<b>41,670</b>	<b>63,734</b>
<u>Depreciation</u>	<b>15,380</b>	<b>14,316</b>
<u>Interest - NHHFA Mortgage Note</u>	<b>7,130</b>	<b>7,332</b>
<u>General Expenses</u>		
Real Estate Taxes	24,293	28,877
Payroll Taxes	1,612	203
Retirement Benefits	1,871	-
Workman's Compensation	1,064	118
Insurance	4,768	4,768
<b>TOTAL GENERAL EXPENSES</b>	<b>33,608</b>	<b>33,966</b>
<b>TOTAL EXPENSES</b>	<b>\$ 192,135</b>	<b>\$ 175,048</b>

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

SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
PROJECT OPERATING ACCOUNT

FOR THE YEAR ENDED JULY 31, 2019

**SOURCE OF FUNDS**

Rental Operations

Income

Tenant Paid Rent	\$ 153,454	
HAP Rent Subsidy	19,736	

<u>Total Rental Income</u>		\$ 173,190
----------------------------	--	------------

Service Income	2,235	
Interest Income	15	
Commercial Income	-	
Other Income	1,470	

<u>Total Rental Operations Receipts</u>		176,910
---	--	---------

Expenses

Administrative	49,895	
Utilities	43,570	
Maintenance	42,665	
Interest - NHHFA Mortgage Note	7,130	
Interest - Other Notes	-	
General	33,608	
Other	-	

<u>Total Rental Operations Disbursements</u>		(176,868)
--	--	-----------

<u>Cash Provided by Rental Operations</u>		42
---	--	----

<u>Amortization of Mortgage</u>	5,886	
---------------------------------	-------	--

<u>Cash Provided by Rental Operations After Debt Service</u>		(5,844)
--	--	---------

**OTHER RECEIPTS**

<u>Due to Management Agent</u>	16,156	
--------------------------------	--------	--

<u>Owner Advances</u>	-	
-----------------------	---	--

<u>Transfer from Restricted Cash Reserves and Escrows</u>	46,320	
	-	

		62,476
--	--	--------

**OTHER DISBURSEMENTS OR TRANSFERS**

<u>Transfers to Restricted Cash Reserves and Escrows</u>	55,176	
--	--------	--

<u>Purchase of Fixed Assets</u>	11,359	
---------------------------------	--------	--

<u>Repayment of Owner Advances</u>	-	
------------------------------------	---	--

<u>Other Partnership Expenses</u>	-	
-----------------------------------	---	--

<u>Transfers to Tenant Security Deposit Account</u>	-	
---	---	--

		66,535
--	--	--------

<u>Net Increase or (Decrease) in Project Account Cash</u>		(9,903)
---	--	---------

<u>Project Account Cash Balance at Beginning of Year</u>		28,635
--	--	--------

<u>Project Account Cash Balance at End of Year</u>		18,732
--	--	--------

Composition of Project Account Cash

<u>Balance at End of Year</u>		18,732
-------------------------------	--	--------

<u>Petty Cash</u>	-	
-------------------	---	--

Unrestricted Reserve (if applicable)

Decorating Reserve	-	
Operating Reserve	-	
Other Reserve	-	

<u>Total Petty Cash and Unrestricted Reserves</u>		-
---	--	---

<u>Total Project Account Cash at End of Year</u>		\$ 18,732
--	--	-----------

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

SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
PROJECT OPERATING ACCOUNT

FOR THE YEAR ENDED JULY 31, 2018

**SOURCE OF FUNDS**

Rental Operations

Income

Tenant Paid Rent	\$ 153,261	
HAP Rent Subsidy	18,975	

Total Rental Income \$ 172,236

Service Income	2,215	
Interest Income	30	
Commercial Income	-	
Other Income	7,555	

Total Rental Operations Receipts 182,036

Expenses

Administrative	20,657	
Utilities	33,879	
Maintenance	71,119	
Interest - NHHFA Mortgage Note	7,332	
Interest - Other Notes	-	
General	33,966	
Other	-	

Total Rental Operations Disbursements (166,953)

Cash Provided by Rental Operations 15,083

Amortization of Mortgage 5,684

Cash Provided by Rental Operations  
After Debt Service 9,399

**OTHER RECEIPTS**

Due to Management Agent (26,475)

Owner Advances -

Transfer from Restricted Cash Reserves  
and Escrows 46,158

- 19,683

**OTHER DISBURSEMENTS OR TRANSFERS**

Transfers to Restricted Cash Reserves  
and Escrows 38,810

Purchase of Fixed Assets 19,300

Repayment of Owner Advances -

Other Partnership Expenses -

Transfers to Tenant Security Deposit Account -

- 58,110

Net Increase or (Decrease) in Project Account Cash (29,028)

Project Account Cash Balance at Beginning of Year 57,663

Project Account Cash Balance at End of Year 28,635

Composition of Project Account Cash

Balance at End of Year 28,635

Petty Cash -

Unrestricted Reserve (if applicable)

Decorating Reserve -

Operating Reserve -

Other Reserve -

Total Petty Cash and Unrestricted Reserves -

Total Project Account Cash  
at End of Year \$ 28,635

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

SCHEDULE OF RESTRICTED CASH RESERVES AND ESCROWS

FOR THE YEAR ENDED JULY 31, 2019

<u>Description of Fund</u>	<u>Balance</u> <u>Beginning of</u> <u>Period</u>	<u>Deposits</u> <u>Transfers</u> <u>From</u> <u>Operations</u> <u>Account</u>	<u>Interest</u> <u>Earned</u>	<u>Withdrawals</u> <u>Transfers to</u> <u>Operations</u> <u>Account</u>	<u>Balance</u> <u>End of</u> <u>Period</u>
<u>Restricted Accounts:</u>					
Insurance Escrow	\$ 4,758	\$ 4,800	\$ 67	\$ 4,767	\$ 4,858
Tax Escrow	7,270	40,176	302	24,292	23,456
Replacement Reserve	36,414	10,200	675	17,261	30,028
Operating Reserve	76,953	-	1,446	-	78,399
<b>Total Restricted Cash Reserves and Escrows</b>	<b>\$ 125,395</b>	<b>\$ 55,176</b>	<b>\$ 2,490</b>	<b>\$ 46,320</b>	<b>\$ 136,741</b>

SCHEDULE OF SURPLUS CASH CALCULATION

JULY 31, 2019

NET LOSS	\$ (13,244)
ADD: DEPRECIATION	15,380
DEDUCT REQUIRED PRINCIPAL REPAYMENTS	5,886
DEDUCT REQUIRED PAYMENTS TO REPLACEMENT RESERVES	10,200
ADD/DEDUCT NHHFA APPROVED ITEMS Repair and Maintenance Expenses Reimbursed Through Replacement Reserves	17,261
<b>SURPLUS CASH (DEFICIT)</b>	<b>\$ 3,311</b>

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

YEAR-TO-DATE COMPILATION OF OWNERS' FEE/DISTRIBUTION  
FOR THE YEAR ENDED JULY 31, 2019

<u>YEAR</u>	<u>MAXIMUM ALLOWABLE DISTRIBUTION</u>	<u>DISTRIBUTION RECEIVED</u>	<u>BALANCE</u>
12/31/2001	\$ 243,855	\$ -	\$ 243,855
12/31/2002	\$ 243,855	\$ -	\$ 487,710
12/31/2003	\$ 243,855	\$ 5,895	\$ 725,670
12/31/2004	\$ 243,855	\$ 7,200	\$ 962,325
12/31/2005	\$ 243,855	\$ -	\$ 1,206,180
12/31/2006	\$ 243,855	\$ 6,120	\$ 1,443,915
12/31/2007	\$ 243,855	\$ -	\$ 1,687,770
12/31/2008	\$ 243,855	\$ -	\$ 1,931,625
12/31/2009	\$ 243,855	\$ -	\$ 2,175,480
12/31/2010	\$ 243,855	\$ -	\$ 2,419,335
12/31/2011	\$ 243,855	\$ -	\$ 2,663,190
12/31/2012	\$ 243,855	\$ -	\$ 2,907,045
12/31/2013	\$ 243,855	\$ 7,200	\$ 3,143,700
12/31/2014	\$ 243,855	\$ -	\$ 3,387,555
12/31/2015	\$ 243,855	\$ -	\$ 3,631,410
7/31/2016	\$ 142,249	\$ -	\$ 3,773,659
7/31/2017	\$ 243,855	\$ -	\$ 4,017,514
7/31/2018	\$ 243,855	\$ -	\$ 4,261,369
7/31/2019	\$ 243,855	\$ -	\$ 4,505,224

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

STATEMENTS OF FINANCIAL POSITION

JULY 31, 2019 AND 2018

<b><i>ASSETS</i></b>		
	<b><i>2019</i></b>	<b><i>2018</i></b>
<b>CURRENT ASSETS</b>		
Cash - Operations	\$ 17,001	\$ 37,774
Prepaid Expenses	6,880	8,618
Total Current Assets	<u>23,881</u>	<u>46,392</u>
<b>DEPOSITS HELD IN TRUST, FUNDED</b>		
Tenant Security Deposits	<u>15,764</u>	<u>15,755</u>
<b>RESTRICTED DEPOSITS AND FUNDED RESERVES</b>		
Replacement Reserve	154,554	138,851
Operating Reserve	96,431	96,364
Tax Escrow	6,543	6,538
Total Restricted Deposits and Funded Reserves	<u>257,528</u>	<u>241,753</u>
<b>RENTAL PROPERTY</b>		
Land	176,000	176,000
Building and Building Improvements	1,071,375	1,071,375
Total Rental Property	<u>1,247,375</u>	<u>1,247,375</u>
Less Accumulated Depreciation	89,879	62,422
Net Rental Property	<u>1,157,496</u>	<u>1,184,953</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,454,669</u></b>	<b><u>\$ 1,488,853</u></b>
<b><i>LIABILITIES AND NET ASSETS</i></b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 1,355	\$ 3,545
Accrued Expenses	430	282
Total Current Liabilities	<u>1,785</u>	<u>3,827</u>
<b>DEPOSIT LIABILITIES</b>		
Tenant Security Deposit Liability	<u>15,781</u>	<u>15,772</u>
<b>LONG-TERM LIABILITIES</b>		
Due to Affiliate	45,617	40,657
Mortgage Loan Payable, Net of Current Portion	1,170,000	1,170,000
Total Long-Term Liabilities	<u>1,215,617</u>	<u>1,210,657</u>
Total Liabilities	<u>1,233,183</u>	<u>1,230,256</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b><u>221,486</u></b>	<b><u>258,597</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,454,669</u></b>	<b><u>\$ 1,488,853</u></b>

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

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JULY 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>RENTAL OPERATIONS</b>		
<i>Income</i>		
Tenant Rental Income	\$ 208,237	\$ 207,802
Laundry Income	1,274	1,228
Interest Income - Unrestricted	15	33
Interest Income - Restricted	175	142
Total Income	<u>209,701</u>	<u>209,205</u>
<i>Expenses (See Schedule)</i>		
Administrative	71,428	80,209
Utilities	59,196	61,477
Maintenance	59,672	34,774
Depreciation	27,458	27,009
General Expenses	29,058	49,818
Total Expenses	<u>246,812</u>	<u>253,287</u>
 <b>CHANGE IN NET ASSETS</b>	 (37,111)	 (44,082)
 <b>NET ASSETS - BEGINNING OF YEAR</b>	 <u>258,597</u>	 <u>302,679</u>
 <b>NET ASSETS - END OF YEAR</b>	 <u>\$ 221,486</u>	 <u>\$ 258,597</u>

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

SCHEDULES OF RENTAL OPERATIONS EXPENSES  
FOR THE YEARS ENDED JULY 31, 2019 AND 2018

<b>EXPENSES:</b>	<b>2019</b>	<b>2018</b>
<u>Administrative</u>		
Advertising	\$ 350	\$ 50
Management Fees	17,688	17,818
Salaries and Wages	31,953	42,606
Fringe Benefits	10,362	12,930
Audit and Accounting Expense	400	800
Legal Expenses	253	1,173
Telephone	1,431	1,601
Other Administrative Expense	8,991	3,231
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>71,428</b>	<b>80,209</b>
<u>Utilities</u>		
Electricity	33,814	39,427
Fuel	15,853	13,413
Water and Sewer	8,733	7,728
Other Utility Expense	796	909
<b>TOTAL UTILITY EXPENSE</b>	<b>59,196</b>	<b>61,477</b>
<u>Maintenance</u>		
Custodial Supplies	1,726	1,605
Trash Removal	3,615	2,160
Snow Removal	4,242	3,450
Grounds/Landscaping	3,100	2,204
Elevator Repairs and Contract	4,835	5,912
Repairs (Materials)	42,154	19,443
<b>TOTAL MAINTENANCE EXPENSE</b>	<b>59,672</b>	<b>34,774</b>
<u>Depreciation</u>	<b>27,458</b>	<b>27,009</b>
<u>General Expenses</u>		
Real Estate Taxes	17,040	34,599
Payroll Taxes	2,613	3,651
Workman's Compensation	1,102	1,866
Retirement Benefits	-	1,283
Insurance	8,303	8,419
<b>TOTAL GENERAL EXPENSES</b>	<b>29,058</b>	<b>49,818</b>
<b>TOTAL EXPENSES</b>	<b>\$ 246,812</b>	<b>\$ 253,287</b>

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

SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
PROJECT OPERATING ACCOUNT

FOR THE YEAR ENDED JULY 31, 2019

**SOURCE OF FUNDS**

Rental Operations

Income

Tenant Paid Rent	\$ 177,824	
HAP Rent Subsidy	30,413	

Total Rental Income \$ 208,237

Service Income	1,274	
Interest Income	15	
Commercial Income	-	
Other Income	-	

Total Rental Operations Receipts 209,526

Expenses

Administrative	69,543	
Utilities	59,196	
Maintenance	61,862	
Interest - NHHFA Mortgage Note	-	
Interest - Other Notes	-	
General	29,058	
Other	-	

Total Rental Operations Disbursements (219,659)

Cash Provided by Rental Operations (10,133)

Amortization of Mortgage -

Cash Provided by Rental Operations  
After Debt Service (10,133)

**OTHER RECEIPTS**

Due to Management Agent 4,960

Owner Advances -

Transfer from Restricted Cash Reserves  
and Escrows -

4,960

**OTHER DISBURSEMENTS OR TRANSFERS**

Transfers to Restricted Cash Reserves  
and Escrows 15,600

Purchase of Fixed Assets -

Repayment of Owner Advances -

Other Partnership Expenses -

Transfers to Tenant Security Deposit Account -

15,600

Net Increase or (Decrease) in Project Account Cash (20,773)

Project Account Cash Balance at Beginning of Year 37,774

Project Account Cash Balance at End of Year 17,001

Composition of Project Account Cash  
Balance at End of Year 17,001

Petty Cash -

Unrestricted Reserve (if applicable)

Decorating Reserve	-	
Operating Reserve	-	
Other Reserve	-	

Total Petty Cash and Unrestricted Reserves -

Total Project Account Cash  
at End of Year \$ 17,001

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

SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
PROJECT OPERATING ACCOUNT

FOR THE YEAR ENDED JULY 31, 2018

**SOURCE OF FUNDS**

Rental Operations

Income

Tenant Paid Rent	\$ 177,836	
HAP Rent Subsidy	29,966	

Total Rental Income \$ 207,802

Service Income	1,228	
Interest Income	33	
Commercial Income	-	
Other Income	-	

Total Rental Operations Receipts 209,063

Expenses

Administrative	81,918	
Utilities	61,477	
Maintenance	34,907	
Interest - NHHFA Mortgage Note	-	
Interest - Other Notes	-	
General	49,818	
Other	-	

Total Rental Operations Disbursements (228,120)

Cash Provided by Rental Operations (19,057)

Amortization of Mortgage -

Cash Provided by Rental Operations  
After Debt Service (19,057)

**OTHER RECEIPTS**

Due to Management Agent (22,427)

Owner Advances -

Transfer from Restricted Cash Reserves  
and Escrows -

(22,427)

**OTHER DISBURSEMENTS OR TRANSFERS**

Transfers to Restricted Cash Reserves  
and Escrows 15,599

Purchase of Fixed Assets 8,975

Repayment of Owner Advances -

Other Partnership Expenses -

Transfers to Tenant Security Deposit Account (21)

24,553

Net Increase or (Decrease) in Project Account Cash (66,037)

Project Account Cash Balance at Beginning of Year 103,811

Project Account Cash Balance at End of Year 37,774

Composition of Project Account Cash  
Balance at End of Year 37,774

Petty Cash -

Unrestricted Reserve (if applicable)

Decorating Reserve	-	
Operating Reserve	-	
Other Reserve	-	

Total Petty Cash and Unrestricted Reserves -

Total Project Account Cash  
at End of Year \$ 37,774

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

SCHEDULE OF RESTRICTED CASH RESERVES AND ESCROWS

FOR THE YEAR ENDED JULY 31, 2019

<u>Description of Fund</u>	<u>Balance</u> <u>Beginning of</u> <u>Period</u>	<u>Deposits</u> <u>Transfers</u> <u>From</u> <u>Operations</u> <u>Account</u>	<u>Interest</u> <u>Earned</u>	<u>Withdrawals</u> <u>Transfers to</u> <u>Operations</u> <u>Account</u>	<u>Balance</u> <u>End of</u> <u>Period</u>
<u>Restricted Accounts:</u>					
Tax Escrow	\$ 6,538	\$ -	\$ 5	\$ -	\$ 6,543
Replacement Reserve	138,851	15,600	103	-	154,554
Operating Reserve	96,364	-	67	-	96,431
<b>Total Restricted Cash Reserves and Escrows</b>	<u>\$ 241,753</u>	<u>\$ 15,600</u>	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ 257,528</u>

SCHEDULE OF SURPLUS CASH CALCULATION

JULY 31, 2019

NET LOSS	\$ (37,111)
ADD: DEPRECIATION	27,458
DEDUCT REQUIRED PRINCIPAL REPAYMENTS	-
DEDUCT REQUIRED PAYMENTS TO REPLACEMENT RESERVES	15,600
ADD/DEDUCT NHHFA APPROVED ITEMS Repair and Maintenance Expenses Reimbursed Through Replacement Reserves	<u>-</u>
SURPLUS CASH (DEFICIT)	<u>\$ (25,253)</u>

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

STATEMENTS OF FINANCIAL POSITION

JULY 31, 2019 AND 2018

<b>ASSETS</b>		
	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash - Operations	\$ 91,630	\$ 56,958
Prepaid Expenses	6,318	6,623
Total Current Assets	97,948	63,581
<b>DEPOSITS HELD IN TRUST, FUNDED</b>		
Tenant Security Deposits	15,855	16,600
<b>RESTRICTED DEPOSITS AND FUNDED RESERVES</b>		
Replacement Reserve	124,871	111,486
Operating Reserve	67,111	65,873
Tax Escrow	11,877	9,311
Insurance Escrow	3,581	3,802
Total Restricted Deposits and Funded Reserves	207,440	190,472
<b>RENTAL PROPERTY</b>		
Land	211,000	211,000
Building and Building Improvements	907,200	895,200
Total Rental Property	1,118,200	1,106,200
Less Accumulated Depreciation	28,775	5,595
Net Rental Property	1,089,425	1,100,605
<b>TOTAL ASSETS</b>	<b>\$ 1,410,668</b>	<b>\$ 1,371,258</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Mortgage Loan Payable	\$ 15,344	\$ 14,309
Accounts Payable	4,240	2,410
Accrued Expenses	194	117
Total Current Liabilities	19,778	16,836
<b>DEPOSIT LIABILITIES</b>		
Tenant Security Deposit Liability	15,805	16,600
<b>LONG-TERM LIABILITIES</b>		
Due to Affiliate	131,432	136,698
Mortgage Loan Payable, Net of Current Portion	885,694	901,031
Total Long-Term Liabilities	1,017,126	1,037,729
Total Liabilities	1,052,709	1,071,165
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>357,959</b>	<b>300,093</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,410,668</b>	<b>\$ 1,371,258</b>

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

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED JULY 31, 2019 AND THE THREE MONTH PERIOD ENDED JULY 31, 2018

	<u>2019</u>	<u>2018</u>
<b>RENTAL OPERATIONS</b>		
<i>Income</i>		
Tenant Rental Income	\$ 260,808	\$ 66,083
Laundry Income	2,640	670
Donation	-	283,644
Other Income	1,070	582
Interest Income - Unrestricted	56	9
Interest Income - Restricted	3,633	677
Total Income	<u>268,207</u>	<u>351,665</u>
<i>Expenses (See Schedule)</i>		
Administrative	38,625	11,228
Utilities	35,850	6,553
Maintenance	55,722	12,698
Depreciation	23,180	5,595
Interest - NHHFA Mortgage Note	25,616	6,557
General Expenses	31,348	8,941
Total Expenses	<u>210,341</u>	<u>51,572</u>
 <b>CHANGE IN NET ASSETS</b>	 57,866	 300,093
 <b>NET ASSETS - BEGINNING OF YEAR</b>	 <u>300,093</u>	 <u>-</u>
 <b>NET ASSETS - END OF YEAR</b>	 <u><u>\$ 357,959</u></u>	 <u><u>\$ 300,093</u></u>

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

SCHEDULES OF RENTAL OPERATIONS EXPENSES

FOR THE YEAR ENDED JULY 31, 2019 AND THE THREE MONTH PERIOD ENDED JULY 31, 2018

<b>EXPENSES:</b>	<u>2019</u>	<u>2018</u>
<u>Administrative</u>		
Advertising	\$ 125	\$ -
Management Fees	20,872	4,500
Salaries and Wages	8,526	3,417
Fringe Benefits	3,021	1,036
Audit and Accounting Expense	75	925
Telephone	2,291	572
Other Administrative Expense	3,715	778
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>38,625</b>	<b>11,228</b>
<u>Utilities</u>		
Electricity	20,577	4,442
Fuel	8,898	1,334
Water and Sewer	4,597	200
Other Utility Expense	1,778	577
<b>TOTAL UTILITY EXPENSE</b>	<b>35,850</b>	<b>6,553</b>
<u>Maintenance</u>		
Trash Removal	1,523	525
Snow Removal	25,123	-
Grounds/Landscaping	292	431
Repairs (Materials)	28,784	11,742
<b>TOTAL MAINTENANCE EXPENSE</b>	<b>55,722</b>	<b>12,698</b>
<u>Depreciation</u>		
	<b>23,180</b>	<b>5,595</b>
<u>Interest - NHHFA Mortgage Note</u>		
	<b>25,616</b>	<b>6,557</b>
<u>General Expenses</u>		
Real Estate Taxes	25,184	6,938
Payroll Taxes	714	287
Workman's Compensation	454	182
Retirement benefits	228	342
Insurance	4,768	1,192
<b>TOTAL GENERAL EXPENSES</b>	<b>31,348</b>	<b>8,941</b>
<b>TOTAL EXPENSES</b>	<b>\$ 210,341</b>	<b>\$ 51,572</b>

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

SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
PROJECT OPERATING ACCOUNT

FOR THE YEAR ENDED JULY 31, 2019

**SOURCE OF FUNDS**

Rental Operations

Income

Tenant Paid Rent	\$ 119,235	
HAP Rent Subsidy	141,573	

<u>Total Rental Income</u>		\$ 260,808
----------------------------	--	------------

Service Income	2,640	
Interest Income	56	
Commercial Income	-	
Other Income	1,070	

<u>Total Rental Operations Receipts</u>		264,574
---	--	---------

Expenses

Administrative	38,243	
Utilities	35,850	
Maintenance	53,892	
Interest - NHHFA Mortgage Note	25,616	
Interest - Other Notes	-	
General	31,348	
Other	-	

<u>Total Rental Operations Disbursements</u>		(184,949)
--	--	-----------

<u>Cash Provided by Rental Operations</u>		79,625
---	--	--------

<u>Amortization of Mortgage</u>	14,302	
---------------------------------	--------	--

<u>Cash Provided by Rental Operations After Debt Service</u>		65,323
--	--	--------

**OTHER RECEIPTS**

<u>Due to Management Agent</u>	-	
--------------------------------	---	--

<u>Owner Advances</u>	-	
-----------------------	---	--

<u>Transfer from Restricted Cash Reserves and Escrows</u>	43,443	
	-	

		43,443
--	--	--------

**OTHER DISBURSEMENTS OR TRANSFERS**

<u>Transfers to Restricted Cash Reserves and Escrows</u>	56,778	
--	--------	--

<u>Purchase of Fixed Assets</u>	12,000	
---------------------------------	--------	--

<u>Repayment of Owner Advances</u>	5,266	
------------------------------------	-------	--

<u>Other Partnership Expenses</u>	50	
-----------------------------------	----	--

<u>Transfers to Tenant Security Deposit Account</u>	-	
---	---	--

		74,094
--	--	--------

<u>Net Increase or (Decrease) in Project Account Cash</u>		34,672
---	--	--------

<u>Project Account Cash Balance at Beginning of Year</u>		56,958
--	--	--------

<u>Project Account Cash Balance at End of Year</u>		91,630
--	--	--------

Composition of Project Account Cash

<u>Balance at End of Year</u>		91,630
-------------------------------	--	--------

<u>Petty Cash</u>	-	
-------------------	---	--

Unrestricted Reserve (if applicable)

Decorating Reserve	-	
--------------------	---	--

Operating Reserve	-	
-------------------	---	--

Other Reserve	-	
---------------	---	--

<u>Total Petty Cash and Unrestricted Reserves</u>		-
---	--	---

<u>Total Project Account Cash at End of Year</u>		\$ 91,630
--	--	-----------

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

SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
PROJECT OPERATING ACCOUNT

FOR THE THREE MONTH PERIOD ENDED JULY 31, 2018

**SOURCE OF FUNDS**

Rental Operations

Income

Tenant Paid Rent	\$ 31,338	
HAP Rent Subsidy	34,745	

<u>Total Rental Income</u>		\$ 66,083
----------------------------	--	-----------

Service Income	670	
Interest Income	9	
Commercial Income	-	
Other Income	582	

<u>Total Rental Operations Receipts</u>		67,344
---	--	--------

Expenses

Administrative	14,673	
Utilities	6,553	
Maintenance	13,836	
Interest - NHHFA Mortgage Note	6,557	
Interest - Other Notes	-	
General	8,941	
Other	-	

<u>Total Rental Operations Disbursements</u>		(50,560)
--	--	----------

<u>Cash Provided by Rental Operations</u>		16,784
---	--	--------

<u>Amortization of Mortgage</u>	3,423	
---------------------------------	-------	--

<u>Cash Provided by Rental Operations After Debt Service</u>		13,361
--	--	--------

**OTHER RECEIPTS**

<u>Due to Management Agent</u>	(7,046)	
--------------------------------	---------	--

<u>Owner Advances</u>	-	
-----------------------	---	--

<u>Transfer from Restricted Cash Reserves and Escrows</u>	13,910	
	-	

		6,864
--	--	-------

**OTHER DISBURSEMENTS OR TRANSFERS**

<u>Transfers to Restricted Cash Reserves and Escrows</u>	12,881	
--	--------	--

<u>Purchase of Fixed Assets</u>	-	
---------------------------------	---	--

<u>Repayment of Owner Advances</u>	-	
------------------------------------	---	--

<u>Other Partnership Expenses</u>	-	
-----------------------------------	---	--

<u>Transfers to Tenant Security Deposit Account</u>	-	
---	---	--

		12,881
--	--	--------

<u>Net Increase or (Decrease) in Project Account Cash</u>		7,344
---	--	-------

<u>Project Account Cash Balance at Beginning of Year</u>		49,614
--	--	--------

<u>Project Account Cash Balance at End of Year</u>		56,958
--	--	--------

Composition of Project Account Cash

<u>Balance at End of Year</u>		56,958
-------------------------------	--	--------

<u>Petty Cash</u>	-	
-------------------	---	--

Unrestricted Reserve (if applicable)

Decorating Reserve	-	
--------------------	---	--

Operating Reserve	-	
-------------------	---	--

Other Reserve	-	
---------------	---	--

<u>Total Petty Cash and Unrestricted Reserves</u>		-
---	--	---

<u>Total Project Account Cash at End of Year</u>		\$ 56,958
--	--	-----------

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

SCHEDULE OF RESTRICTED CASH RESERVES AND ESCROWS  
FOR THE YEAR ENDED JULY 31, 2019

<u>Description of Fund</u>	<u>Balance</u> Beginning of <u>Period</u>	<u>Deposits</u> Transfers From Operations <u>Account</u>	<u>Interest</u> <u>Earned</u>	<u>Withdrawals</u> Transfers to Operations <u>Account</u>	<u>Balance</u> End of <u>Period</u>
<u>Restricted Accounts:</u>					
Insurance Escrow	\$ 3,802	\$ 4,500	\$ 46	\$ 4,767	\$ 3,581
Tax Escrow	9,311	29,028	214	26,676	11,877
Replacement Reserve	111,486	23,250	2,135	12,000	124,871
Operating Reserve	65,873	-	1,238	-	67,111
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Restricted Cash Reserves and Escrows</b>	<b>\$ 190,472</b>	<b>\$ 56,778</b>	<b>\$ 3,633</b>	<b>\$ 43,443</b>	<b>\$ 207,440</b>

SCHEDULE OF SURPLUS CASH CALCULATION  
JULY 31, 2019

NET INCOME	\$ 57,866
ADD: DEPRECIATION	23,180
DEDUCT REQUIRED PRINCIPAL REPAYMENTS	14,302
DEDUCT REQUIRED PAYMENTS TO REPLACEMENT RESERVES	23,250
ADD/DEDUCT NHHFA APPROVED ITEMS Repair and Maintenance Expenses Reimbursed Through Replacement Reserves	<hr/> 12,000
SURPLUS CASH (DEFICIT)	<hr/> <b>\$ 55,494</b> <hr/>

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

YEAR-TO-DATE COMPILATION OF OWNERS' FEE/DISTRIBUTION  
FOR THE YEAR ENDED JULY 31, 2019

<u>YEAR</u>	<u>MAXIMUM ALLOWABLE DISTRIBUTION</u>	<u>DISTRIBUTION RECEIVED</u>	<u>BALANCE</u>
12/31/2003	\$ 113,850	\$ -	\$ 113,850
12/31/2004	\$ 113,850	\$ -	\$ 227,700
12/31/2005	\$ 113,850	\$ -	\$ 341,550
12/31/2006	\$ 113,850	\$ -	\$ 455,400
12/31/2007	\$ 113,850	\$ -	\$ 569,250
12/31/2008	\$ 113,850	\$ -	\$ 683,100
12/31/2009	\$ 113,850	\$ -	\$ 796,950
12/31/2010	\$ 113,850	\$ -	\$ 910,800
12/31/2011	\$ 113,850	\$ -	\$ 1,024,650
12/31/2012	\$ 113,850	\$ -	\$ 1,138,500
12/31/2013	\$ 113,850	\$ -	\$ 1,252,350
12/31/2014	\$ 113,850	\$ -	\$ 1,366,200
12/31/2015	\$ 113,850	\$ -	\$ 1,480,050
12/30/2016	\$ 113,850	\$ -	\$ 1,593,900
12/30/2017	\$ 113,850	\$ -	\$ 1,707,750
7/31/2018	\$ 66,413	\$ -	\$ 1,774,163
7/31/2019	\$ 113,850	\$ -	\$ 1,888,013