



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

**SINGLE AUDIT REPORT**

**YEAR ENDED JULY 31, 2021**

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

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# OUELLETTE & ASSOCIATES, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Mark R. Carrier, C.P.A.  
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Jonathan A. Hussey, C.P.A., M.S.T.  
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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

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, 2021, 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 March 3, 2022.

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

In planning and performing our audit of the combined financial statements, we considered the Organizations' 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 Organizations' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organizations' 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 Organizations' 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 Organizations' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organizations' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Oudlette & Associates P.A.**  
Certified Public Accountants

March 3, 2022  
Lewiston, Maine

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## **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

### **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, 2021. 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, 2021.

## **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, 2021, and have issued our report thereon dated March 3, 2022, 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.

**Oudlette & Associates P.A.**  
Certified Public Accountants

March 3, 2022  
Lewiston, Maine

## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FISCAL YEAR ENDED JULY 31, 2021

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>				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	174NH703W1003	\$ -	\$ 1,334,892
<i>Pass-Through Belknap Merrimack Community Action Program</i>				
<b><u>Food Distribution Cluster</u></b>				
Commodity Supplemental Food Program	10.565	202120Y800544	-	5,061
	10.565	202020Y800544	-	19,500
<b>Total Food Distribution Cluster</b>			-	24,561
<i>Pass-Through State of New Hampshire Department of Education</i>				
Child and Adult Care Food Program	10.558		-	695,568
<b><u>Child Nutrition Cluster</u></b>				
Summer Food Service Program for Children	10.559		-	155,822
<b>Total U.S. Department of Agriculture</b>			\$ -	\$ 2,210,843
<b><u>U.S. Department of Housing and Urban Development:</u></b>				
<i>Direct Program</i>				
<b><u>Section 8 Project-Based Cluster</u></b>				
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249		\$ -	\$ 540,904
<i>Pass-Through State of New Hampshire Governor's Office of Strategic Initiatives</i>				
<b><u>CDBG - Entitlement Grants Cluster</u></b>				
Community Development Block Grants/ Entitlement Grants - COVID	14.218	B-20-MW-33-0001	-	544,242
<i>Pass-Through State of New Hampshire Department of Health and Human Services</i>				
Emergency Solutions Grant Program	14.231	E17-DC-33-0001	-	40,929
<b>Total U.S. Department of Housing and Urban Development</b>			\$ -	\$ 1,126,075
<b><u>U.S. Department of Homeland Security:</u></b>				
<i>Passed-through Regional United Way Agency</i>				
Emergency Food and Shelter National Board Program	97.024		\$ -	\$ 2,101
<i>Pass-Through State of New Hampshire Governor's Office of Strategic Initiatives</i>				
Emergency Food and Shelter National Board Program	97.024	592600-007	-	20,000
<b>Total U.S. Department of Homeland Security</b>			\$ -	\$ 22,101
<b>Subtotal</b>			\$ -	\$ 3,359,019



## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FISCAL YEAR ENDED JULY 31, 2021

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying Number	Subrecipient Expenditures	Federal Expenditures
<b>Amount Forward</b>			\$ -	\$ 3,359,019
<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	\$ 73,162	\$ 1,234,796
WIOA Dislocated Worker Formula Grants	17.278	02-6000618	17,282	122,677
<b>Total WIOA Cluster</b>			<u>90,444</u>	<u>1,357,473</u>
Senior Community Service Employment Program	17.235	02-6000618	-	4,062
Workforce Investment Act (WIA) Dislocated Worker National Reserve Demonstration Grants	17.280	02-6000618	-	1,258,590
<b>Total U.S. Department of Labor</b>			<u>\$ 90,444</u>	<u>\$ 2,620,125</u>
<b><u>U.S. Department of Treasury:</u></b>				
<i>Pass-Through State of New Hampshire Governor's Office of Strategic Initiatives</i>				
Coronavirus Relief Fund - COVID	21.019		\$ -	\$ 6,346,350
Emergency Rental Assistance Program - COVID	21.023	ERA0012 and ERA0435	-	16,171,517
<i>Pass-Through State of New Hampshire Department of Health and Human Services</i>				
Coronavirus Relief Fund - COVID	21.019	SS-2021-DEHS-05-CHILD-01	-	249,873
<b>Total U.S. Department of Treasury:</b>			<u>\$ -</u>	<u>\$ 22,767,740</u>
<b><u>U.S. Department of Energy:</u></b>				
<i>Pass-Through State of New Hampshire Governor's Office of Strategic Initiatives</i>				
Weatherization Assistance for Low-Income Persons	81.042	EE0007935	\$ -	\$ 564,342
<b>Total U.S. Department of Energy:</b>			<u>\$ -</u>	<u>\$ 564,342</u>
<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	\$ -	\$ 118,530
<b>Total U.S. Department of Education</b>			<u>\$ -</u>	<u>\$ 118,530</u>
<b><u>Corporation for National and Community Services:</u></b>				
<i>Direct Program</i>				
Retired and Senior Volunteer Program	94.002	20SRANH002	\$ -	\$ 110,300
<b>Total Corporation for National and Community Services</b>			<u>\$ -</u>	<u>\$ 110,300</u>
<b>Subtotal</b>			<u>\$ 90,444</u>	<u>\$ 29,540,056</u>

## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FISCAL YEAR ENDED JULY 31, 2021

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>\$ 90,444</b>	<b>\$ 29,540,056</b>
<b><u>U.S. Department of Health and Human Services:</u></b>				
<b><u>Direct Program</u></b>				
<b><u>Head Start Cluster</u></b>				
Head Start	93.600	01CH01060203	\$ -	\$ 7,178,936
	93.600	01HP00024102	-	315,971
	93.600	01HP00024101C3	-	5,408
COVID	93.600	01CH01060203C3	-	175,293
COVID	93.600	01HE00047401C5	-	11,487
<b>Total Head Start Cluster</b>			<b>-</b>	<b>7,687,095</b>
<b><u>Pass-Through State of New Hampshire Office of Strategic Initiatives</u></b>				
Low-Income Home Energy Assistance	93.568	G-20B1NHLIEA	-	7,991,223
COVID	93.568	G-2001NHE5C3	-	82,143
	93.568	G-2101NHLIEA	-	951,365
			<b>-</b>	<b>9,024,731</b>
<b><u>Pass-Through State of New Hampshire Department Of Health and Human Services</u></b>				
Temporary Assistance for Needy Families	93.558	18NHTANF	<b>88,647</b>	<b>2,637,339</b>
Community Services Block Grant	93.569	2001NHCCSC3	-	1,656,218
COVID	93.569	2001NHCCSC3	-	174,632
			<b>88,647</b>	<b>1,830,850</b>
Community Services Block Grant Discretionary Awards	93.570	2001NHCCSC3	-	28,904
<b><u>Aging Cluster</u></b>				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	18AANHT3SS	-	18,610
<b><u>CCDF Cluster</u></b>				
Child Care and Development Block Grant	93.575	2001NHCCDF	-	1,119,549
	93.575	2101NHCCDF	-	110,802
			<b>-</b>	<b>1,230,351</b>
Child Care Mandatory and Matching Funds of The Child Care and Development Fund	93.596	2001NHCCDF	-	876,921
<b>Total CCDF Cluster</b>			<b>-</b>	<b>2,107,272</b>
<b><u>Pass-Through University of New Hampshire</u></b>				
Every Student Succeeds Act/Preschool Development Grants	93.434	90TP0060	-	87,828
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 88,647</b>	<b>\$ 23,422,629</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 179,091</b>	<b>\$ 52,962,685</b>

**SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JULY 31, 2021**

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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, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of 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

Due to the COVID-19 pandemic, the Organization was unable to meet its matching requirements in accordance with terms of the grant award. The Organization received a waiver from the Department of Health and Human Services due to the pandemic to remain in compliance with the grant award during the year ended July 31, 2021.

NOTE 4: INDIRECT COST RATE

Southern New Hampshire Services, Inc. and affiliate has negotiated an indirect cost rate of 9.50% 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, 2021

**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>
Coronavirus Relief Fund	21.019
Emergency Rental Assistance Program	21.023
WIOA Cluster	17.258 / 17.278
CCDF Cluster	93.575 / 93.596

Dollar threshold used to distinguish between Type A and Type B programs: \$1,588,881

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.