

SOUTHERN NEW HAMPSHIRE SERVICES, INC.
AND AFFILIATE

**COMBINED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED JULY 31, 2024 AND 2023
AND
INDEPENDENT AUDITORS' REPORT AND
REPORTS ON COMPLIANCE AND INTERNAL CONTROL**

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

**COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Southern New Hampshire Services, Inc. and Affiliate (a nonprofit organization), which comprise the combined statements of financial position as of July 31, 2024 and 2023, and the related combined statements of activities and changes in net assets, functional expenses and cash flows for the years then and the related notes to the financial statements.

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of Southern New Hampshire Services, Inc. and Affiliate as of July 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Southern New Hampshire Services, Inc. and Affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Southern New Hampshire Services, Inc. and Affiliate's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025, 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.

Dover, New Hampshire
March 31, 2025

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

**COMBINED STATEMENTS OF FINANCIAL POSITION
JULY 31, 2024 AND 2023**

ASSETS

	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash	\$ 9,539,517	\$ 10,382,755
Investments	9,456,835	10,089,918
Grants receivable	4,269,703	4,657,945
Accounts receivable	836,027	1,075,088
Prepaid expenses	<u>189,485</u>	<u>311,983</u>
Total current assets	<u>24,291,567</u>	<u>26,517,689</u>
PROPERTY		
Land	4,166,475	4,060,574
Buildings and improvements	18,071,076	14,624,467
Vehicles and equipment	<u>1,644,351</u>	<u>1,748,567</u>
Total property	<u>23,881,902</u>	<u>20,433,608</u>
Less: accumulated depreciation	<u>6,907,196</u>	<u>6,392,579</u>
Property, net	<u>16,974,706</u>	<u>14,041,029</u>
OTHER ASSETS		
Restricted cash	<u>530,820</u>	<u>500,770</u>
TOTAL ASSETS	<u>\$ 41,797,093</u>	<u>\$ 41,059,488</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current portion of long term debt	\$ 91,766	\$ 87,597
Accounts payable	1,291,035	2,053,707
Accrued payroll and related expenses	2,310,624	1,952,587
Accrued compensated absences	405,259	421,706
Other liabilities	299,675	235,052
Refundable advances	1,056,760	2,209,618
Tenant security deposits	<u>80,712</u>	<u>82,007</u>
Total current liabilities	5,535,831	7,042,274
LONG TERM LIABILITIES		
Long term debt, less current portion shown above	<u>1,309,061</u>	<u>1,389,230</u>
Total liabilities	6,844,892	8,431,504
NET ASSETS		
Without donor restrictions	<u>34,952,201</u>	<u>32,627,984</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 41,797,093</u>	<u>\$ 41,059,488</u>

See Notes to Combined Financial Statements

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

**COMBINED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JULY 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
REVENUES, GAINS AND OTHER SUPPORT		
Grant revenue	\$ 40,037,178	\$ 110,665,844
Program service fees	754,401	804,331
Local funding	277,042	192,419
Rental income	930,124	1,134,229
Gifts and other contributions	297,407	286,973
Interest and dividend income	293,616	463,090
Realized loss on investments	(109,036)	-
Unrealized Gain (loss) on investments	895,857	(60,130)
Miscellaneous	262,632	160,034
In-kind contributions	3,634,310	1,406,827
Forgiveness of debt	-	440,000
Gain (loss) on disposal of property	(42,374)	495,109
	<u>47,231,157</u>	<u>115,988,726</u>
Total revenues, gains and other support		
EXPENSES		
Program services		
Child development	13,361,608	10,344,050
Community services	1,719,902	1,380,399
Economic and workforce development	4,159,088	5,576,367
Energy	15,983,329	21,055,560
Language and literacy	202,317	217,448
Housing and homeless	1,089,085	65,332,498
Nutrition and health	2,078,468	2,206,763
Special projects	2,008,413	2,031,500
Volunteer services	130,692	119,653
SNHS Management Corporation	2,135,197	2,726,036
	<u>42,868,099</u>	<u>110,990,274</u>
Total program services		
Supporting activities		
Management and general expense	2,038,841	2,078,577
	<u>44,906,940</u>	<u>113,068,851</u>
Total expenses		
CHANGE IN NET ASSETS	2,324,217	2,919,875
NET ASSETS, BEGINNING OF YEAR	<u>32,627,984</u>	<u>29,708,109</u>
NET ASSETS, END OF YEAR	<u>\$ 34,952,201</u>	<u>\$ 32,627,984</u>

See Notes to Combined Financial Statements

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

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

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

See Notes to Combined Financial Statements

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

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

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

See Notes to Combined Financial Statements

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2023**

EXPENSES	Program Services						
	<u>Child Development</u>	<u>Community Services</u>	<u>Economic and Workforce Development</u>	<u>Energy</u>	<u>Language and Literacy</u>	<u>Housing and Homeless</u>	<u>Nutrition and Health</u>
Payroll	\$ 4,687,629	\$ 531,680	\$ 2,009,063	\$ 1,938,086	\$ 203,503	\$ 1,431,041	\$ 857,455
Payroll taxes	349,470	40,180	151,567	146,475	14,563	108,336	64,713
Fringe benefits	1,443,535	88,342	440,413	503,989	20,634	295,713	210,743
Workers compensation insurance	82,817	5,964	3,854	10,384	4,371	2,874	21,143
Unemployment	13,237	1,219	5,089	5,495	549	2,692	2,398
Retirement benefits	342,791	48,717	153,650	119,927	5,789	67,638	58,784
Consultant and contractual	50,990	274,726	300,288	1,347,342	878	1,154,158	12,482
Travel and transportation	92,430	16,212	48,501	46,755	168	2,611	32,691
Conferences and meetings	-	14,430	-	9,636	-	-	830
Occupancy	706,464	153,012	508,703	136,509	30,171	190,186	71,981
Advertising	134	5,915	8,628	-	25	-	75
Supplies	303,547	22,767	16,260	130,317	4,592	71,748	283,941
Equipment rentals and maintenance	3,805	911	8,610	31,905	443	589	27,842
Insurance	23,033	45,759	2,720	22,872	-	6,572	4,317
Telephone	86,959	17,736	37,596	36,512	4,561	45,272	70,491
Postage	1,402	-	1,010	36,476	-	16,742	2,468
Printing and publications	3,026	5,272	-	-	-	-	-
Subscriptions	-	-	-	696	-	-	-
Program support	6,016	110,075	-	29,932	-	-	-
Interest	6,411	-	-	-	-	-	-
Depreciation	182,997	20,641	43,484	8,534	1,968	6,627	12,983
Assistance to clients	349,924	11,386	1,737,805	16,521,194	-	61,950,040	521,950
Other expense	316,567	2,113	108,073	26,625	-	2,503	2,379
Miscellaneous	14,710	1,003	1,183	4,215	25	1,879	2,527
In-kind expenses	<u>1,406,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
SUBTOTAL	10,474,721	1,418,060	5,586,497	21,113,876	292,240	65,357,221	2,262,193
Eliminations	<u>(130,671)</u>	<u>(37,661)</u>	<u>(10,130)</u>	<u>(58,316)</u>	<u>(74,792)</u>	<u>(24,723)</u>	<u>(55,430)</u>
TOTAL EXPENSES	<u>\$ 10,344,050</u>	<u>\$ 1,380,399</u>	<u>\$ 5,576,367</u>	<u>\$ 21,055,560</u>	<u>\$ 217,448</u>	<u>\$ 65,332,498</u>	<u>\$ 2,206,763</u>

See Notes to Combined Financial Statements

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES (Continued)
FOR THE YEAR ENDED JULY 31, 2023**

	Program Services				Support Services	2023 Total
	Special Projects	Volunteer Services	SNHS Management Corporation	Total Program Services	Management and General	
EXPENSES						
Payroll	\$ 64,397	\$ 78,563	\$ 702,669	\$ 12,504,086	\$ 1,329,230	\$ 13,833,316
Payroll taxes	4,773	5,550	51,177	936,804	95,465	1,032,269
Fringe benefits	2,551	25,583	211,953	3,243,456	176,241	3,419,697
Workers compensation insurance	306	145	10,911	142,769	4,432	147,201
Unemployment	135	233	1,392	32,439	2,884	35,323
Retirement benefits	5,715	6,920	53,840	863,771	130,495	994,266
Consultant and contractual	1,882,405	335	137,435	5,161,039	205,722	5,366,761
Travel and transportation	3,699	3,910	49,033	296,010	4,893	300,903
Conferences and meetings	5,972	-	34,047	64,915	1,074	65,989
Occupancy	12,000	-	689,228	2,498,254	59,745	2,557,999
Advertising	-	1,047	1,574	17,398	25	17,423
Supplies	284	3,041	19,953	856,450	23,581	880,031
Equipment rentals and maintenance	22,835	13	18,642	115,595	5,989	121,584
Insurance	2,244	1,762	51,158	160,437	10,498	170,935
Telephone	2,750	3,751	31,762	337,390	17,767	355,157
Postage	-	665	718	59,481	11,475	70,956
Printing and publications	-	-	-	8,298	-	8,298
Subscriptions	-	0	1,199	1,895	129	2,024
Program support	1,143	-	89,936	237,102	-	237,102
Interest	-	-	45,072	51,483	-	51,483
Depreciation	43,940	-	393,865	715,039	4,114	719,153
Assistance to clients	3,500	-	35,401	81,131,200	-	81,131,200
Other expense	11,879	424	12,233	482,796	400	483,196
Miscellaneous	252	3,328	96,859	125,981	66	126,047
In-kind expenses	-	-	-	1,406,827	-	1,406,827
SUBTOTAL	2,070,780	135,270	2,740,057	111,450,915	2,084,225	113,535,140
Eliminations	(39,280)	(15,617)	(14,021)	(460,641)	(5,648)	(466,289)
TOTAL EXPENSES	<u>\$ 2,031,500</u>	<u>\$ 119,653</u>	<u>\$ 2,726,036</u>	<u>\$ 110,990,274</u>	<u>\$ 2,078,577</u>	<u>\$ 113,068,851</u>

See Notes to Combined Financial Statements

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,324,217	\$ 2,919,875
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	876,403	719,153
Loss (gain) on disposal of property	42,374	(495,109)
Unrealized loss (gain) on investments	(895,857)	60,130
Realized loss on investments	109,036	-
Forgiveness of debt	-	(440,000)
Decrease (increase) in assets:		
Grants receivable	388,242	(198,982)
Accounts receivable	239,061	(125,186)
Prepaid expenses	122,498	(182,773)
Increase (decrease) in liabilities:		
Accounts payable	(722,847)	495,206
Accrued payroll and related expenses	358,037	306,419
Accrued compensated absences	(16,447)	14,581
Other liabilities	(107,650)	12,958
Refundable advances	(1,152,858)	(2,181,022)
Tenant security deposits	(1,295)	(13,750)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,562,914</u>	<u>891,500</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property	(3,720,006)	(2,144,901)
Proceeds from disposal of property	-	709,171
Proceeds from sale of investment	1,700,000	-
Purchase of investments, reinvested dividends and capital gains	(280,096)	(453,212)
NET CASH USED IN INVESTING ACTIVITIES	<u>(2,300,102)</u>	<u>(1,888,942)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term debt	(76,000)	(72,622)
NET CASH USED IN FINANCING ACTIVITIES	<u>(76,000)</u>	<u>(72,622)</u>
NET DECREASE IN CASH AND RESTRICTED CASH	(813,188)	(1,070,064)
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	<u>10,883,525</u>	<u>11,953,589</u>
CASH AND RESTRICTED CASH, END OF YEAR	<u>\$ 10,070,337</u>	<u>\$ 10,883,525</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 49,106</u>	<u>\$ 51,483</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH FINANCING ACTIVITIES		
Building Improvements in the current year in accrued expenses	<u>\$ 172,273</u>	<u>\$ -</u>
Building Improvements in the current year in accounts payable	<u>\$ 527,653</u>	<u>\$ 567,478</u>
Building Improvements in the prior year in accounts payable, paid in the current year	<u>\$ (567,478)</u>	<u>\$ -</u>
CASH AND RESTRICTED CASH		
Cash	\$ 9,539,517	\$ 10,382,755
Restricted cash	<u>530,820</u>	<u>500,770</u>
Total cash and restricted cash	<u>\$ 10,070,337</u>	<u>\$ 10,883,525</u>

See Notes to Combined Financial Statements

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED JULY 31, 2024 AND 2023

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

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

Basis of Accounting

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

Basis of Presentation

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

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

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

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

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED JULY 31, 2024 AND 2023

As of July 31, 2024 and 2023, the Organization had no net assets with donor restrictions.

Combined Financial Statements

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

Southern New Hampshire Services, Inc and SNHS Management Corporation are governed by separate boards of directors and each Organization files its own form 990 with the IRS. See combining schedules on pages 25 and 26 of these financial statements.

Estimates

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

Cash and Cash Equivalents

For the purpose of the combined statements of cash flows, the Organization considers all unrestricted highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Organization has no cash equivalents as of July 31, 2024 and 2023.

Current Vulnerabilities Due to Certain Concentrations

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

Concentration of Credit Risk

The Organization maintains its cash balances at several financial institutions located in New Hampshire 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, 2024 and 2023.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED JULY 31, 2024 AND 2023

Accounts and Grants Receivable

All accounts and grants receivable are stated at the amount management expects to collect from balances outstanding at year-end. The Organization uses historical loss information based on the aging of receivables as the basis to determine expected credit losses from receivables and believes that the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the client base has not changed significantly. The allowance for uncollectible accounts was estimated to be zero at July 31, 2024 and 2023, respectively.

Support and Revenue Recognition

Contracts with Customers

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

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

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

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

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

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED JULY 31, 2024 AND 2023

Private Grant Revenue and Contributions

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

Grants and Support

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

Rental Revenue

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

Refundable advances result from unexpended balances from these conditional contributions and will be subsequently recognized as contribution revenue when donor conditions are met. Federal and state grant revenue comprised approximately 85% and 95% of total revenue in the fiscal years ended July 31, 2024 and 2023, respectively.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED JULY 31, 2024 AND 2023

In-Kind Donations

The Organization records various types of in-kind support including professional services and materials. Contributed professional services are recognized if the service received creates or enhances long-lived assets or requires specialized skill, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. In-kind revenues and expenses for the years ended July 31, 2024 and 2023 are \$3,634,310 and \$1,406,827, respectively (See **Note 12**).

Investments

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

Property

Property acquired by the Organization is capitalized at cost if purchased or fair value if donated. 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 method over the estimated useful lives of the assets, which range from three to forty years. Depreciation expense for the years ended July 31, 2024 and 2023 was \$876,403 and \$719,153, respectively.

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

Advertising

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

Income Taxes

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

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

**NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023**

Functional Allocation of Expenses

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

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

New Accounting Pronouncement

During the year ended July 31, 2024, the Organization adopted FASB ASU 2016-13, *Financial Instruments–Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization’s financial statements.

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.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

NOTE 3. FAIR VALUE MEASUREMENT

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

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

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at July 31, 2024 and 2023.

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

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

	<u>2024</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Total mutual funds at fair value	<u>\$9,456,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,456,835</u>

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

	<u>2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Total mutual funds at fair value	<u>\$10,089,918</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$10,089,918</u>

NOTE 4. INVESTMENTS

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

	<u>2024</u>		<u>2023</u>	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
Mutual Funds	<u>\$ 9,456,835</u>	<u>\$ 8,165,348</u>	<u>\$10,089,918</u>	<u>\$ 9,694,288</u>

The Organization had unrealized gains on investments of \$895,857 at July 31, 2024 and unrealized losses of \$60,130, at July 31, 2023.

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

	<u>2024</u>	<u>2023</u>
Fair value – beginning of year	\$ 10,089,918	\$ 9,696,836
Dividends and capital gains, reinvested	280,096	453,212
Withdrawals	(1,700,000)	-
Realized loss	(109,036)	-
Unrealized gain (loss)	<u>895,857</u>	<u>(60,130)</u>
Fair value – end of year	<u>\$ 9,456,835</u>	<u>\$ 10,089,918</u>

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

NOTE 5. LIQUIDITY AND AVAILABILITY

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

	<u>2024</u>	<u>2023</u>
Cash	\$ 9,539,517	\$10,382,755
Investments	9,456,835	10,089,918
Grants receivable	4,269,703	4,657,945
Accounts receivable	<u>836,027</u>	<u>1,075,088</u>
Total financial assets available within one year	<u>\$24,102,082</u>	<u>\$26,205,706</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 long term debt at July 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
<u>SNHS, Inc.</u>		
Mortgage payable to bank, secured by real estate located on Temple St., Nashua, NH, payable in monthly installments of \$2,182 plus interest through 2030. Interest is at 4.00% at July 31, 2024 and 2023.	\$ 142,695	\$ 162,615

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

**NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<u>SNHS Management Corporation</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 0.00%. SNHS, Inc. is currently negotiating with the City of Manchester to obtain forgiveness.	11,275	11,275
Mortgage payable to New Hampshire Housing secured by real estate located on Pleasant St., Epping, NH, payable in monthly installments of \$1,084 including interest through 2042. Interest is at 3.50%.	167,790	174,800
Mortgage payable to MH Parsons and Sons Lumber, secured by real estate located on Crystal Ave., Derry, NH, payable in monthly installments of \$3,715 including interest through 2031. Interest is at 5.50%.	266,628	295,423
Mortgage payable to New Hampshire Housing secured by real estate located in Deerfield, NH, payable in monthly installments of \$3,327 including interest through 2033. Interest is at 7.00%.	269,514	289,789
Mortgage payable to New Hampshire Housing secured by real estate located in Deerfield, NH with annual principal repayments equal to 25% of cash surplus due through 2032. Interest is at 0.00%.	392,925	392,925
Mortgage payable to New Hampshire Housing secured by real estate located in Deerfield, NH with annual principal repayments equal to 25% of cash surplus due through 2032. Interest is at 0.00%.	<u>150,000</u>	<u>150,000</u>
	1,400,827	1,476,827
Less: current portion due within one year	<u>91,766</u>	<u>87,597</u>
	<u>\$ 1,309,061</u>	<u>\$ 1,389,230</u>

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

The schedule of maturities of long term debt at July 31, 2024 is as follows:

<u>Year Ending</u> <u>July 31</u>	<u>Amount</u>
2025	\$ 91,766
2026	84,899
2027	89,564
2028	94,498
2029	99,719
Thereafter	<u>940,381</u>
Total	<u>\$ 1,400,827</u>

NOTE 7. OPERATING LEASES

The Organization leases various facilities under several operating leases. Total lease payments for the years ended July 31, 2024 and 2023 equaled \$526,222 and \$694,135, respectively. The leases expire at various times. Some of the leases contain renewal options that are contingent upon federal funding, and some contain renewal options subject to renegotiation of lease terms.

The schedule of future minimum lease payments at July 31, 2024 for the operating leases is as follows:

<u>Year Ending</u> <u>July 31</u>	<u>Amount</u>
2025	\$ 78,346
2026	22,092
2027	10,410
2028	6,000
2029	<u>6,000</u>
Total	<u>\$ 122,848</u>

Subsequent to year end the Organization entered into a 36 month operating lease for September 2024 through August 2027.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

**NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023**

NOTE 8. ACCRUED COMPENSATED BALANCES

At July 31, 2024 and 2023 the Organization accrued a liability for future annual leave time that its employees had earned in the amount of \$405,259 and \$421,706, respectively. Any hours not used by the end of the calendar year are forfeited.

NOTE 9. 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 retirement benefit expense for the years ended July 31, 2024 and 2023 was \$923,997 and \$994,266, respectively.

NOTE 10. FORGIVENESS OF DEBT

During the year ended July 31, 2023, the Organization realized forgiveness of debt income in connection with three mortgage payables to the City of Nashua. The real estate located in Nashua, New Hampshire remained as low-income housing for a length that satisfied the criteria for debt forgiveness from the City of Nashua. Forgiveness of debt income totaled \$440,000 for the year ended July 31, 2023 on the accompanying combined statement of activities. There was no forgiveness of debt recognized for the year ended July 31, 2024.

NOTE 11. RISKS AND UNCERTAINTIES

Cotton Mill Square

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

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

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

**NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023**

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, 2024 and 2023. SNHS Management Corporation feels that it is extremely unlikely that the Project will fall into noncompliance in future periods. Therefore, SNHS Management Corporation has not recorded any contingent receivable or liability related to this transaction. The note repayment is accelerated if the units fall out of compliance.

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

NOTE 12 IN-KIND CONTRIBUTIONS/SERVICES

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

The fair value of gifts in kind included contributions in the financial statements and the corresponding program expenses for the year ended July 31, 2024 and 2023, is as follows:

	<u>2023</u>	<u>2022</u>
Volunteer hours		
Head Start and Early	<u>\$3,634,310</u>	<u>\$1,406,827</u>
Head Start		

NOTE 13. RECLASSIFICATIONS

Certain reclassifications have been made to the prior year's financial statements, which were taken from the July 31, 2024 financial statements, to conform to the current year presentation.

NOTE 14. SUBSEQUENT EVENTS

Management has made an evaluation of subsequent events through March 31, 2025, 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.

SUPPLEMENTAL INFORMATION

(See Independent Auditors' Report)

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE**COMBINING SCHEDULE OF FINANCIAL POSITION
JULY 31, 2024**

	SNHS, Inc.	SNHS Management Corporation	Sub-Total	Elimination	Total
<u>ASSETS</u>					
CURRENT ASSETS					
Cash	\$ 334,660	\$ 9,204,857	\$ 9,539,517	\$ -	\$ 9,539,517
Investments	-	9,456,835	9,456,835	-	9,456,835
Grants receivable	4,253,183	16,520	4,269,703	-	4,269,703
Accounts receivable	-	836,027	836,027	-	836,027
Prepaid expenses	36,169	153,316	189,485	-	189,485
Due from related parties	<u>4,717,065</u>	<u>(2,390,917)</u>	<u>2,326,148</u>	<u>(2,326,148)</u>	<u>-</u>
Total current assets	<u>9,341,077</u>	<u>17,276,638</u>	<u>26,617,715</u>	<u>(2,326,148)</u>	<u>24,291,567</u>
PROPERTY					
Land	646,805	3,519,670	4,166,475	-	4,166,475
Buildings and improvements	4,848,399	13,222,677	18,071,076	-	18,071,076
Vehicles and equipment	<u>1,372,850</u>	<u>271,501</u>	<u>1,644,351</u>	<u>-</u>	<u>1,644,351</u>
Total property	6,868,054	17,013,848	23,881,902	-	23,881,902
Less: accumulated depreciation	<u>2,074,301</u>	<u>4,832,895</u>	<u>6,907,196</u>	<u>-</u>	<u>6,907,196</u>
Total property, net	<u>4,793,753</u>	<u>12,180,953</u>	<u>16,974,706</u>	<u>-</u>	<u>16,974,706</u>
OTHER ASSETS					
Restricted cash	<u>26,700</u>	<u>504,120</u>	<u>530,820</u>	<u>-</u>	<u>530,820</u>
TOTAL ASSETS	<u>\$ 14,161,530</u>	<u>\$ 29,961,711</u>	<u>\$ 44,123,241</u>	<u>\$ (2,326,148)</u>	<u>\$ 41,797,093</u>
<u>LIABILITIES AND NET ASSETS</u>					
CURRENT LIABILITIES					
Current portion of long term debt	\$ 20,780	\$ 70,986	\$ 91,766	\$ -	\$ 91,766
Accounts payable	746,105	544,930	1,291,035	-	1,291,035
Accrued payroll and related expenses	399,193	1,911,431	2,310,624	-	2,310,624
Accrued compensated absences	-	405,259	405,259	-	405,259
Other liabilities	121,360	178,315	299,675	-	299,675
Refundable advances	535,059	521,701	1,056,760	-	1,056,760
Tenant security deposits	26,700	54,012	80,712	-	80,712
Due to related parties	<u>2,390,917</u>	<u>(64,769)</u>	<u>2,326,148</u>	<u>(2,326,148)</u>	<u>-</u>
Total current liabilities	4,240,114	3,621,865	7,861,979	(2,326,148)	5,535,831
LONG TERM LIABILITIES					
Long term debt, less current portion shown above	<u>121,915</u>	<u>1,187,146</u>	<u>1,309,061</u>	<u>-</u>	<u>1,309,061</u>
Total liabilities	4,362,029	4,809,011	9,171,040	(2,326,148)	6,844,892
NET ASSETS					
Without donor restrictions	<u>9,799,501</u>	<u>25,152,700</u>	<u>34,952,201</u>	<u>-</u>	<u>34,952,201</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 14,161,530</u>	<u>\$ 29,961,711</u>	<u>\$ 44,123,241</u>	<u>\$ (2,326,148)</u>	<u>\$ 41,797,093</u>

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE**COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2024**

	<u>SNHS, Inc.</u>	<u>SNHS Management Corporation</u>	<u>Sub-Total</u>	<u>Elimination</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT					
Grant revenue	\$ 40,037,178	\$ -	\$ 40,037,178	\$ -	\$ 40,037,178
Program service fees	461,213	769,868	1,231,081	(476,680)	754,401
Local funding	-	277,042	277,042	-	277,042
Rental income	-	1,161,065	1,161,065	(230,941)	930,124
Gifts and other contributions	296,504	903	297,407	-	297,407
Interest and dividend income	120	293,496	293,616	-	293,616
Realized loss on investments	-	(109,036)	(109,036)	-	(109,036)
Unrealized gain on investments	-	895,857	895,857	-	895,857
Miscellaneous	124,983	137,649	262,632	-	262,632
In-kind contributions	3,634,310	-	3,634,310	-	3,634,310
Gain (loss) on disposal of property	(42,424)	50	(42,374)	-	(42,374)
	<u>44,511,884</u>	<u>3,426,894</u>	<u>47,938,778</u>	<u>(707,621)</u>	<u>47,231,157</u>
Total revenues, gains and other support					
EXPENSES					
Program services					
Child development	13,483,130	-	13,483,130	(121,522)	13,361,608
Community services	1,943,519	-	1,943,519	(223,617)	1,719,902
Economic and workforce development	4,171,618	-	4,171,618	(12,530)	4,159,088
Energy	16,055,130	-	16,055,130	(71,801)	15,983,329
Language and literacy	202,317	-	202,317	-	202,317
Housing and homeless	1,102,739	-	1,102,739	(13,654)	1,089,085
Nutrition and health	2,092,160	-	2,092,160	(13,692)	2,078,468
Special projects	2,156,587	-	2,156,587	(148,174)	2,008,413
Volunteer services	130,692	-	130,692	-	130,692
SNHS Management Corporation	-	2,234,674	2,234,674	(99,477)	2,135,197
	<u>41,337,892</u>	<u>2,234,674</u>	<u>43,572,566</u>	<u>(704,467)</u>	<u>42,868,099</u>
Total program services					
Supporting activities					
Management and general	2,041,995	-	2,041,995	(3,154)	2,038,841
	<u>43,379,887</u>	<u>2,234,674</u>	<u>45,614,561</u>	<u>(707,621)</u>	<u>44,906,940</u>
Total expenses					
CHANGE IN NET ASSETS	1,131,997	1,192,220	2,324,217	-	2,324,217
NET ASSETS, BEGINNING OF YEAR	<u>8,667,504</u>	<u>23,960,480</u>	<u>32,627,984</u>	<u>-</u>	<u>32,627,984</u>
NET ASSETS, END OF YEAR	<u>\$ 9,799,501</u>	<u>\$ 25,152,700</u>	<u>\$ 34,952,201</u>	<u>\$ -</u>	<u>\$ 34,952,201</u>

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

STATEMENTS OF FINANCIAL POSITION
JULY 31, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash	\$ 18,637	\$ 18,114
Prepaid expenses	<u>10,048</u>	<u>9,492</u>
Total current assets	<u>28,685</u>	<u>27,606</u>
RESTRICTED CASH		
Insurance escrow	3,212	1,074
Tax escrow	5,757	4,767
Replacement reserves	49,837	42,339
Operating reserve	<u>57,112</u>	<u>55,427</u>
Total restricted cash	<u>115,918</u>	<u>103,607</u>
PROPERTY		
Land	166,600	166,600
Buildings and improvements	<u>598,178</u>	<u>598,178</u>
Total property	764,778	764,778
Less accumulated depreciation	<u>128,407</u>	<u>110,812</u>
Property, net	<u>636,371</u>	<u>653,966</u>
OTHER ASSETS		
Tenant security deposits	<u>14,349</u>	<u>13,504</u>
TOTAL ASSETS	<u>\$ 795,323</u>	<u>\$ 798,683</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current portion of mortgage note payable	\$ 7,259	\$ 7,010
Accounts payable	5,077	4,364
Accrued expenses	<u>110</u>	<u>328</u>
Total current liabilities	<u>12,446</u>	<u>11,702</u>
LONG TERM LIABILITIES		
Due to affiliate	64,392	47,697
Mortgage note payable, less current portion as shown above	160,531	167,790
Tenant security deposits	<u>14,349</u>	<u>13,504</u>
Total long term liabilities	<u>239,272</u>	<u>228,991</u>
Total liabilities	251,718	240,693
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>543,605</u>	<u>557,990</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 795,323</u>	<u>\$ 798,683</u>

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

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
INCOME		
Rental income	\$ 180,587	\$ 171,902
Interest income	8	8
Interest income restricted	3,416	2,537
Other income	<u>4,295</u>	<u>3,680</u>
Total income	<u>188,306</u>	<u>178,127</u>
OPERATING EXPENSES		
Administrative	44,130	43,135
Utilities	49,814	42,357
Maintenance	50,232	74,601
General	<u>34,914</u>	<u>29,371</u>
Total operating expenses	<u>179,090</u>	<u>189,464</u>
INTEREST EXPENSE	<u>6,006</u>	<u>6,247</u>
INCOME (LOSS) BEFORE DEPRECIATION	3,210	(17,584)
Depreciation	<u>17,595</u>	<u>17,596</u>
CHANGE IN NET ASSETS	(14,385)	(35,180)
NET ASSETS, BEGINNING OF YEAR	<u>557,990</u>	<u>593,170</u>
NET ASSETS, END OF YEAR	<u>\$ 543,605</u>	<u>\$ 557,990</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, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ADMINISTRATIVE EXPENSES		
Management fee	\$ 14,400	\$ 14,400
Salaries and wages	16,239	11,803
Fringe benefits	4,332	3,376
Legal	123	4,443
Telephone	240	399
Other administrative expenses	<u>8,796</u>	<u>8,714</u>
Total administrative expenses	<u>44,130</u>	<u>43,135</u>
UTILITIES		
Electricity	19,515	17,226
Fuel	15,938	12,218
Water and sewer	<u>14,361</u>	<u>12,913</u>
Total utility expenses	<u>49,814</u>	<u>42,357</u>
MAINTENANCE		
Trash removal	2,792	2,512
Snow removal	9,276	16,214
Elevator repairs and contract	3,707	3,482
Custodial supplies	43	15
Repairs, materials	25,716	44,680
Repairs, contract	<u>8,698</u>	<u>7,698</u>
Total maintenance expense	<u>50,232</u>	<u>74,601</u>
INTEREST, NHH MORTGAGE NOTE	<u>6,006</u>	<u>6,247</u>
DEPRECIATION	<u>17,595</u>	<u>17,596</u>
GENERAL EXPENSE		
Real estate taxes	23,071	20,392
Payroll taxes	1,241	902
Retirement benefits	1,138	1,074
Workman's compensation	485	553
Insurance	<u>8,979</u>	<u>6,450</u>
Total general expense	<u>34,914</u>	<u>29,371</u>
TOTAL RENTAL OPERATIONS EXPENSES	<u>\$ 202,691</u>	<u>\$ 213,307</u>

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

SCHEDULES OF RECEIPTS AND DISBURSEMENTS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
SOURCES OF FUNDS:		
Rental operations		
INCOME		
Tenant paid rent	\$ 166,485	\$ 157,554
HAP rent subsidy	<u>14,102</u>	<u>14,348</u>
Total rental receipts	180,587	171,902
Interest income	3,424	2,545
Service income	2,900	2,345
Other income	<u>1,395</u>	<u>1,335</u>
Total rental operations receipts	<u>188,306</u>	<u>178,127</u>
EXPENSES		
Administrative	43,934	43,213
Utilities	48,926	43,426
Maintenance	50,351	74,259
General	35,940	32,215
Interest	<u>6,006</u>	<u>6,247</u>
Total rental operations disbursements	<u>185,157</u>	<u>199,360</u>
CASH PROVIDED BY (USED IN) RENTAL OPERATIONS BEFORE AMORTIZATION OF MORTGAGE	3,149	(21,233)
AMORTIZATION OF MORTGAGE	<u>(7,010)</u>	<u>(6,769)</u>
CASH USED IN RENTAL OPERATIONS AFTER DEBT SERVICE	(3,861)	(28,002)
OTHER DISBURSEMENTS		
Net receipts from management agent	16,695	18,122
Net withdrawals (deposits) from reserve accounts	<u>(12,311)</u>	<u>11,745</u>
NET INCREASE IN CASH	523	1,865
CASH, BEGINNING OF YEAR	<u>18,114</u>	<u>16,249</u>
CASH, END OF YEAR	<u>\$ 18,637</u>	<u>\$ 18,114</u>

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

SCHEDULES OF RESTRICTED CASH RESERVES AND ESCROWS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

<u>DESCRIPTION OF FUND:</u>		<u>Deposits</u>		<u>Withdrawals</u>	
	<u>Balance</u>				<u>Balance</u>
<u>Restricted Accounts:</u>	<u>Beginning of</u>	<u>Funding of</u>	<u>Interest</u>	<u>Expenditures</u>	<u>End of</u>
	<u>Year</u>	<u>Reserves</u>	<u>Earned</u>		<u>Year</u>
<u>For the Year Ended July 31, 2024</u>					
Operating reserve	\$ 55,427	\$ -	\$ 1,685	\$ -	\$ 57,112
Insurance escrow	1,074	10,169	121	(8,152)	3,212
Tax escrow	4,767	24,022	188	(23,220)	5,757
Replacement reserve	<u>42,339</u>	<u>13,800</u>	<u>1,422</u>	<u>(7,724)</u>	<u>49,837</u>
TOTAL RESTRICTED CASH RESERVES AND ESCROWS	<u>\$ 103,607</u>	<u>\$ 47,991</u>	<u>\$ 3,416</u>	<u>\$ (39,096)</u>	<u>\$ 115,918</u>
<u>For the Year Ended July 31, 2023</u>					
Operating reserve	\$ 79,495	\$ -	\$ 1,523	\$ (25,591)	\$ 55,427
Insurance escrow	3,120	6,204	114	(8,364)	1,074
Tax escrow	4,959	20,527	139	(20,858)	4,767
Replacement reserve	<u>27,778</u>	<u>13,800</u>	<u>761</u>	<u>-</u>	<u>42,339</u>
TOTAL RESTRICTED CASH RESERVES AND ESCROWS	<u>\$ 115,352</u>	<u>\$ 40,531</u>	<u>\$ 2,537</u>	<u>\$ (54,813)</u>	<u>\$ 103,607</u>

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

SCHEDULES OF SURPLUS CASH
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Net loss	\$ (14,385)	\$ (35,180)
<u>Add:</u>		
Depreciation	17,595	17,596
Expenditures from reserve accounts not capitalized	7,724	-
 <u>Deduct:</u>		
Interest income from reserve accounts	(3,416)	(2,537)
Required principal payments	(7,010)	(6,769)
Required payments to replacement reserves	<u>(13,800)</u>	<u>(13,800)</u>
 Cash deficit	 <u>\$ (13,292)</u>	 <u>\$ (40,690)</u>

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

YEAR-TO-DATE COMPILATION OF OWNERS' FEE/DISTRIBUTION
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

<u>Year</u>	<u>Maximum Allowable Distribution</u>	<u>Distributions 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
7/31/2020	243,855	-	4,749,079
7/31/2021	243,855	-	4,992,934
7/31/2022	243,855	-	5,236,789
7/31/2023	243,855	-	5,480,644
7/31/2024	243,855	-	5,724,499

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

STATEMENTS OF FINANCIAL POSITION
JULY 31, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash	\$ 23,178	\$ 18,628
Prepaid expenses	<u>17,094</u>	<u>12,694</u>
Total current assets	<u>40,272</u>	<u>31,322</u>
RESTRICTED CASH		
Replacement reserves	<u>59,916</u>	<u>97,522</u>
Total restricted cash	59,916	97,522
PROPERTY		
Land	176,000	176,000
Buildings and improvements	<u>1,191,515</u>	<u>1,191,515</u>
Total property	1,367,515	1,367,515
Less accumulated depreciation	<u>255,279</u>	<u>220,105</u>
Property, net	<u>1,112,236</u>	<u>1,147,410</u>
OTHER ASSETS		
Tenant security deposits	<u>19,173</u>	<u>17,977</u>
TOTAL ASSETS	<u>\$ 1,231,597</u>	<u>\$ 1,294,231</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	5,784	5,232
Deferred revenue	13,576	-
Accrued expenses	<u>1,687</u>	<u>1,287</u>
Total current liabilities	<u>21,047</u>	<u>6,519</u>
LONG TERM LIABILITIES		
Due to affiliate	119,831	119,427
Tenant security deposits	<u>19,173</u>	<u>17,977</u>
Total long term liabilities	<u>139,004</u>	<u>137,404</u>
Total liabilities	160,051	143,923
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>1,071,546</u>	<u>1,150,308</u>
TOTAL LIABILITITES AND NET ASSETS	<u>\$ 1,231,597</u>	<u>\$ 1,294,231</u>

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

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
INCOME		
Rental income	\$ 213,637	\$ 209,138
Interest income	11	12
Interest income restricted	28	68
Other income	<u>1,807</u>	<u>1,683</u>
Total income	<u>215,483</u>	<u>210,901</u>
OPERATING EXPENSES		
Administrative	80,805	89,901
Utilities	68,719	66,959
Maintenance	65,285	93,611
General	<u>44,262</u>	<u>39,347</u>
Total operating expenses	<u>259,071</u>	<u>289,818</u>
LOSS BEFORE DEPRECIATION AND FORGIVENESS OF DEBT	(43,588)	(78,917)
Depreciation	(35,174)	(34,332)
Forgiveness of debt	<u>-</u>	<u>270,000</u>
CHANGE IN NET ASSETS	(78,762)	156,751
NET ASSETS, BEGINNING OF YEAR	<u>1,150,308</u>	<u>993,557</u>
NET ASSETS, END OF YEAR	<u>\$ 1,071,546</u>	<u>\$ 1,150,308</u>

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

SCHEDULES OF RENTAL OPERATIONS EXPENSES
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ADMINISTRATIVE EXPENSES		
Management fee	\$ 17,688	\$ 17,688
Salaries and wages	47,944	50,761
Fringe benefits	4,486	5,912
Legal	2,355	6,172
Telephone	120	119
Other administrative expenses	<u>8,212</u>	<u>9,249</u>
Total administrative expenses	<u>80,805</u>	<u>89,901</u>
UTILITIES		
Electricity	26,887	29,620
Fuel	28,718	24,853
Water and sewer	<u>13,114</u>	<u>12,486</u>
Total utility expenses	<u>68,719</u>	<u>66,959</u>
MAINTENANCE		
Trash removal	2,792	3,265
Snow removal	9,838	10,956
Elevator repairs and contract	7,055	6,079
Custodial supplies	1,415	543
Repairs, materials	38,314	66,772
Repairs, contract	<u>5,871</u>	<u>5,996</u>
Total maintenance expense	<u>65,285</u>	<u>93,611</u>
DEPRECIATION	<u>35,174</u>	<u>34,332</u>
GENERAL EXPENSE		
Real estate taxes	19,703	19,563
Payroll taxes	3,652	3,871
Retirement benefits	3,686	2,436
Workman's compensation	1,024	1,648
Insurance	<u>16,197</u>	<u>11,829</u>
Total general expense	<u>44,262</u>	<u>39,347</u>
TOTAL RENTAL OPERATIONS EXPENSES	<u>\$ 294,245</u>	<u>\$ 324,150</u>

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

SCHEDULES OF RECEIPTS AND DISBURSEMENTS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
SOURCES OF FUNDS:		
Rental operations		
INCOME		
Tenant paid rent	\$ 199,922	\$ 179,903
HAP rent subsidy	<u>13,715</u>	<u>29,235</u>
Total rental receipts	213,637	209,138
Interest income	39	80
Service income	1,807	1,683
Other	<u>13,576</u>	<u>-</u>
Total rental operations receipts	<u>229,059</u>	<u>210,901</u>
EXPENSES		
Administrative	80,965	89,155
Utilities	70,864	64,314
Maintenance	62,028	95,532
General	<u>48,662</u>	<u>41,273</u>
Total rental operations disbursements	<u>262,519</u>	<u>290,274</u>
CASH USED IN RENTAL OPERATIONS	(33,460)	(79,373)
OTHER DISBURSEMENTS		
Net receipts from management agent	404	225
Net withdrawals from reserve accounts	37,606	94,669
Purchase of property	<u>-</u>	<u>(16,910)</u>
NET INCREASE (DECREASE) IN CASH	4,550	(1,389)
CASH, BEGINNING OF YEAR	<u>18,628</u>	<u>20,017</u>
CASH, END OF YEAR	<u>\$ 23,178</u>	<u>\$ 18,628</u>

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

SCHEDULES OF RESTRICTED CASH RESERVES AND ESCROWS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

<u>DESCRIPTION OF FUND:</u>		<u>Deposits</u>		<u>Withdrawals</u>	
	Balance				Balance
<u>Restricted Accounts:</u>	Beginning of	Funding of	Interest	Expenditures	End of
	Year	Reserves	Earned		Year
<u>For the Year Ended July 31, 2024</u>					
Replacement reserve	\$ 97,522	\$ 15,600	\$ 28	\$ (53,234)	\$ 59,916
TOTAL RESTRICTED CASH RESERVES AND ESCROWS	<u>\$ 97,522</u>	<u>\$ 15,600</u>	<u>\$ 28</u>	<u>\$ (53,234)</u>	<u>\$ 59,916</u>
<u>For the Year Ended July 31, 2023</u>					
Operating reserve	\$ 70,051	\$ -	\$ 20	\$ (70,071)	\$ -
Tax escrow	6,556	-	2	(6,558)	-
Replacement reserve	<u>115,584</u>	<u>15,600</u>	<u>46</u>	<u>(33,708)</u>	<u>97,522</u>
TOTAL RESTRICTED CASH RESERVES AND ESCROWS	<u>\$ 192,191</u>	<u>\$ 15,600</u>	<u>\$ 68</u>	<u>\$ (110,337)</u>	<u>\$ 97,522</u>

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

SCHEDULES OF SURPLUS CASH
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Net income (loss)	\$ (78,762)	\$ 156,751
<u>Add:</u>		
Depreciation	35,174	34,332
Reserve for replacement withdrawals not capitalized	53,234	33,708
<u>Deduct:</u>		
Interest income from reserve accounts	(28)	(68)
Required payments to replacement reserves	(15,600)	(15,600)
<u>Add other NHHFA approved items:</u>		
Forgiveness of debt income	<u>-</u>	<u>(270,000)</u>
Cash deficit	<u>\$ (5,982)</u>	<u>\$ (60,877)</u>

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

STATEMENTS OF FINANCIAL POSITION
JULY 31, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash	\$ 38,195	\$ 52,119
Prepaid expenses	<u>12,596</u>	<u>9,378</u>
Total current assets	<u>50,791</u>	<u>61,497</u>
RESTRICTED CASH		
Insurance escrow	2,863	950
Tax escrow	7,513	5,728
Replacement reserves	232,035	213,685
Operating reserves	<u>71,656</u>	<u>69,541</u>
Total restricted cash	<u>314,067</u>	<u>289,904</u>
PROPERTY		
Land	211,000	211,000
Buildings and improvements	<u>932,700</u>	<u>932,700</u>
Total property	1,143,700	1,143,700
Less accumulated depreciation	<u>149,225</u>	<u>124,370</u>
Property, net	<u>994,475</u>	<u>1,019,330</u>
OTHER ASSETS		
Tenant security deposits	<u>15,580</u>	<u>16,159</u>
TOTAL ASSETS	<u>\$ 1,374,913</u>	<u>\$ 1,386,890</u>
	<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES		
Current portion of mortgage note payable	\$ 21,741	\$ 20,275
Accounts payable	2,707	971
Accrued expenses	<u>802</u>	<u>552</u>
Total current liabilities	<u>25,250</u>	<u>21,798</u>
LONG TERM LIABILITIES		
Due to affiliate	69,444	73,732
Mortgage note payable, less current portion as shown above	790,698	812,439
Tenant security deposits	<u>15,580</u>	<u>16,159</u>
Total long term liabilities	<u>875,722</u>	<u>902,330</u>
Total liabilities	900,972	924,128
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>473,941</u>	<u>462,762</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,374,913</u>	<u>\$ 1,386,890</u>

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

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
INCOME		
Rental income	\$ 261,344	\$ 260,356
Interest income	28	37
Interest income restricted	9,206	6,079
Other income	<u>4,259</u>	<u>3,950</u>
Total income	<u>274,837</u>	<u>270,422</u>
OPERATING EXPENSES		
Administrative	46,304	52,690
Utilities	37,608	37,510
Maintenance	94,193	92,814
General	<u>41,055</u>	<u>38,206</u>
Total operating expenses	<u>219,160</u>	<u>221,220</u>
INTEREST EXPENSE	<u>19,643</u>	<u>21,009</u>
INCOME BEFORE DEPRECIATION	36,034	28,193
Depreciation	<u>24,855</u>	<u>24,855</u>
CHANGE IN NET ASSETS	11,179	3,338
NET ASSETS, BEGINNING OF YEAR	<u>462,762</u>	<u>459,424</u>
NET ASSETS, END OF YEAR	<u>\$ 473,941</u>	<u>\$ 462,762</u>

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

SCHEDULES OF RENTAL OPERATIONS EXPENSES
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ADMINISTRATIVE EXPENSES		
Advertising	\$ 90	\$ 500
Management fee	18,000	18,000
Salaries and wages	18,851	24,180
Fringe benefits	553	661
Telephone	239	237
Other administrative expenses	<u>8,571</u>	<u>9,112</u>
Total administrative expenses	<u>46,304</u>	<u>52,690</u>
UTILITIES		
Electricity	19,811	19,092
Fuel	11,087	12,381
Water and sewer	<u>6,710</u>	<u>6,037</u>
Total utility expenses	<u>37,608</u>	<u>37,510</u>
MAINTENANCE		
Trash removal	3,053	2,737
Snow removal	24,097	25,370
Repairs, materials	51,162	50,691
Repairs, contract	<u>15,881</u>	<u>14,016</u>
Total maintenance expense	<u>94,193</u>	<u>92,814</u>
INTEREST	<u>19,643</u>	<u>21,009</u>
DEPRECIATION	<u>24,855</u>	<u>24,855</u>
GENERAL EXPENSE		
Real estate taxes	27,918	26,617
Payroll taxes	1,441	1,849
Retirement benefits	1,885	1,349
Workman's compensation	563	1,157
Insurance	<u>9,248</u>	<u>7,234</u>
Total general expense	<u>41,055</u>	<u>38,206</u>
TOTAL RENTAL OPERATIONS EXPENSES	<u>\$ 263,658</u>	<u>\$ 267,084</u>

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

SCHEDULES OF RECEIPTS AND DISBURSEMENTS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
SOURCES OF FUNDS:		
Rental operations		
INCOME		
Tenant paid rent	\$ 144,920	\$ 124,060
HAP rent subsidy	<u>116,424</u>	<u>124,601</u>
Total rental receipts	261,344	248,661
Interest income	9,234	6,116
Service income	2,715	2,510
Other income	<u>1,544</u>	<u>1,440</u>
Total rental operations receipts	<u>274,837</u>	<u>258,727</u>
EXPENSES		
Administrative	45,980	52,989
Utilities	36,664	39,292
Maintenance	93,475	93,861
General	44,273	38,910
Interest	<u>19,643</u>	<u>21,009</u>
Total rental operations disbursements	<u>240,035</u>	<u>246,061</u>
CASH PROVIDED BY RENTAL OPERATIONS BEFORE AMORTIZATION OF MORTGAGE	34,802	12,666
AMORTIZATION OF MORTGAGE	<u>(20,275)</u>	<u>(18,909)</u>
CASH PROVIDED BY (USED IN) RENTAL OPERATIONS AFTER DEBT SERVICE	14,527	(6,243)
OTHER DISBURSEMENTS		
Fixed asset addition placed in service prior year paid in current year	-	(25,500)
Net payments from management agent	(4,288)	(10,626)
Net deposits from reserve accounts	<u>(24,163)</u>	<u>(4,807)</u>
NET DECREASE IN CASH	(13,924)	(47,176)
CASH, BEGINNING OF YEAR	<u>52,119</u>	<u>99,295</u>
CASH, END OF YEAR	<u>\$ 38,195</u>	<u>\$ 52,119</u>

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

SCHEDULES OF RESTRICTED CASH RESERVES AND ESCROWS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

<u>DESCRIPTION OF FUND:</u>		<u>Deposits</u>		<u>Withdrawals</u>	
	<u>Balance</u>				<u>Balance</u>
<u>Restricted Accounts:</u>	<u>Beginning of</u>	<u>Funding of</u>	<u>Interest</u>	<u>Expenditures</u>	<u>End of</u>
	<u>Year</u>	<u>Reserves</u>	<u>Earned</u>		<u>Year</u>
<u>For the Year Ended July 31, 2024</u>					
Operating reserve	\$ 69,541	\$ -	\$ 2,115	\$ -	\$ 71,656
Insurance escrow	950	8,822	106	(7,015)	2,863
Tax escrow	5,728	30,717	223	(29,155)	7,513
Replacement reserve	<u>213,685</u>	<u>27,000</u>	<u>6,762</u>	<u>(15,412)</u>	<u>232,035</u>
TOTAL RESTRICTED CASH RESERVES AND ESCROWS	<u>\$ 289,904</u>	<u>\$ 66,539</u>	<u>\$ 9,206</u>	<u>\$ (51,582)</u>	<u>\$ 314,067</u>
<u>For the Year Ended July 31, 2023</u>					
Operating reserve	\$ 68,049	\$ -	\$ 1,492	\$ -	\$ 69,541
Insurance escrow	2,761	5,483	101	(7,395)	950
Tax escrow	6,414	25,876	174	(26,736)	5,728
Replacement reserve	<u>207,873</u>	<u>27,000</u>	<u>4,312</u>	<u>(25,500)</u>	<u>213,685</u>
TOTAL RESTRICTED CASH RESERVES AND ESCROWS	<u>\$ 285,097</u>	<u>\$ 58,359</u>	<u>\$ 6,079</u>	<u>\$ (59,631)</u>	<u>\$ 289,904</u>

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

SCHEDULES OF SURPLUS CASH
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Net income	\$ 11,179	\$ 3,338
<u>Add:</u>		
Depreciation	24,855	24,855
Expenditures from reserve accounts not capitalized	15,412	-
<u>Deduct:</u>		
Interest income from reserve accounts	(9,206)	(6,079)
Required principal payments	(20,275)	(18,909)
Required payments to replacement reserves	(27,000)	(27,000)
Cash deficit	\$ (5,035)	\$ (23,795)

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

YEAR-TO-DATE COMPILATION OF OWNERS' FEE/DISTRIBUTION
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

<u>Year</u>	<u>Maximum Allowable Distribution</u>	<u>Distributions 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
12/31/2016	113,850	-	1,593,900
12/31/2017	113,850	-	1,707,750
7/31/2018	66,413	-	1,774,163
7/31/2019	113,850	-	1,888,013
7/31/2020	113,850	-	2,001,863
7/31/2021	113,850	-	2,115,713
7/31/2022	113,850	-	2,229,563
7/31/2023	113,580	-	2,343,143
7/31/2024	113,580	-	2,456,723

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

**SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
FOR THE YEAR ENDED JULY 31, 2024**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NAME</u>	<u>GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURE</u>
<u>U.S. Department of Agriculture</u>				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	State of NH, Department of Health & Human Services	234NH703W1003	\$ 1,166,924
Breastfeeding Peer Counselor Program (BFCP)	10.557	State of NH, Department of Health & Human Services	234NH743W5003	59,131
				<u>1,226,055</u>
Child and Adult Care Food Program	10.558	State of NH, Department of Education		832,452
Food Distribution Cluster				
Commodity Supplemental Food Program	10.565	Community Action Program Belknap-Merrimack Counties	202220Y800544	29,748
Child Nutrition Cluster				
Summer Food Service Program for Children	10.559	State of NH, Department of Education		<u>142,563</u>
Total U.S. Department of Agriculture				<u>\$ 2,230,818</u>
<u>U.S. Department of Housing and Urban Development</u>				
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Bureau of Homeless & Housing	E-21-DC-33-0001	\$ 5,404
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Bureau of Homeless & Housing	E-21-DC-33-0001	129,595
				<u>134,999</u>
Continuum of Care	14.267	State of NH, DHHS, Bureau of Homeless & Housing	NH0096L1T002207	67,664
Section 8 Project-Based Cluster				
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249			<u>287,758</u>
Total U.S. Department of Housing and Urban Development				<u>\$ 490,421</u>
<u>U.S. Department of Labor</u>				
WIOA Cluster				
WIOA Adult Program	17.258	State of NH, Dept of Resources and Economic Development	02-6000618	<u>\$ 2,903,199</u>
Total U.S. Department of Labor				<u>\$ 2,903,199</u>
<u>U.S. Department of Education</u>				
Adult Education - Basic Grants to States	84.002	State of NH, Department of Education	67011-ABE Manchester	<u>\$ 76,424</u>
Total U.S. Department of Education				<u>\$ 76,424</u>
<u>U.S. Department of Treasury</u>				
Emergency Rental Assistance Program	21.023	New Hampshire Housing	ERAE0019	\$ 77,751
Emergency Rental Assistance Program	21.023	New Hampshire Housing	ERAE0019	359,298
				<u>437,049</u>
Total U.S. Department of Treasury				<u>\$ 437,049</u>

See Notes to Schedule of Expenditures of Federal Awards

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

**SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
FOR THE YEAR ENDED JULY 31, 2024**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NAME</u>	<u>GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURE</u>
<u>Corporation for National and Community Services</u>				
AmeriCorps Seniors Retired and Senior Volunteer Program (RSVP)	94.002		24SR259952	\$ 123,751
Total Corporation for National and Community Services				\$ 123,751
<u>U.S. Department of Energy</u>				
Weatherization Assistance for Low-Income Persons	81.042	State of NH, Office of Energy & Planning	DE-EE0009916	\$ 1,870,453
Total U.S. Department of Energy				\$ 1,870,453
<u>U.S. Department of Health & Human Services</u>				
<u>Aging Cluster</u>				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	State of NH, Office of Energy & Planning	2101NHOASS	\$ 17,484
Strengthening Citizens and Businesses for Economic Mobility	93.558	State of NH, DHHS	22NHTANF	\$ 139,415
Strengthening Citizens and Businesses for Economic Mobility	93.558	State of NH, DHHS	22NHTANF	63,658
Temporary Assistance for Needy Families	93.558	State of NH, DHHS	22NHTANF	889,257
Temporary Assistance for Needy Families	93.558	State of NH, DHHS	23NHTANF	3,957
				<hr/> 1,096,287
Low Income Home Energy Assistance (Fuel Assistance)	93.568	State of NH, Office of Energy & Planning	2301NHLIEA	12,428,537
Low Income Home Energy Assistance (BWP)	93.568	State of NH, Office of Energy & Planning	2301NHLIEA	417,305
				<hr/> 12,845,842
Community Services Block Grant	93.569	State of NH, DHHS	2301NHCOSR	1,723,844
CV- Community Services Block Grant	93.569	State of NH, DHHS	2201NHCSC3	885,717
				<hr/> 2,609,561
Community Services Block Grant Discretionary Awards	93.570	State of NH, DHHS	2301NHCOSR	183,193
Low Income Household Water Assistance Program (LIWAP)	93.499	State of NH, Office of Energy & Planning	2101NHLWC5/6	536,711
<u>Head Start Cluster</u>				
Head Start/Early Head Start	93.600		01CH01231501	7,926,654
Low Cost Extension	93.600		01CH01060205	664,773
				<hr/> 8,591,427

See Notes to Schedule of Expenditures of Federal Awards

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

**SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
FOR THE YEAR ENDED JULY 31, 2024**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NAME</u>	<u>GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURE</u>	
<u>U.S. Department of Health & Human Services (continued)</u>					
<u>CCDF Cluster</u>					
Child Care and Development Block Grants	93.575	State of NH, DHHS	2301NHCCDD	1,314,451	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	State of NH, DHHS	2301NHCCDF	<u>723,982</u>	<u>2,038,433</u>
Every Student Succeeds Act/Preschool Development Grants	93.434	University of New Hampshire	90TP0060		<u>2,428</u>
Total U.S. Department of Health & Human Services				\$	<u>27,921,366</u>
TOTAL				\$	<u>36,053,481</u>
<u>NON-FEDERAL AWARD</u>					
Community Action Program of Belknap - Merrimack Counties, Inc.					
Electric Assistance Program				\$	<u>779,839</u>

See Notes to Schedule of Expenditures of Federal Awards

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JULY 31, 2024**

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, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southern New Hampshire Services, Inc. and Affiliate, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COST RATE

Southern New Hampshire Services, Inc. and Affiliate has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 SUBRECIPIENTS

Southern New Hampshire Services, Inc. had no subrecipients for the year ended July 31, 2024.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Southern New Hampshire Services, Inc. and Affiliate (a New Hampshire nonprofit organization), which comprise the statements of financial position as of July 31, 2024 and 2023 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Dover, New Hampshire
March 31, 2025

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Southern New Hampshire Services, Inc. and Affiliate's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Southern New Hampshire Services, Inc. and Affiliate's major federal programs for the year ended July 31, 2024. Southern New Hampshire Services, Inc. and Affiliate's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Southern New Hampshire Services, Inc. and Affiliate complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended July 31, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Southern New Hampshire Services, Inc. and Affiliate and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Southern New Hampshire Services, Inc. and Affiliate's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Dover, New Hampshire
March 31, 2025

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JULY 31, 2024**

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the combined financial statements of Southern New Hampshire Services, Inc. and Affiliate were prepared in accordance with GAAP.
2. No significant deficiencies disclosed during the audit of the combined financial statements are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the combined financial statements of Southern New Hampshire Services, Inc. and Affiliate, which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for Southern New Hampshire Services, Inc. and Affiliate expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were: U.S. Department of Health and Human Services; Temporary Assistance for Needy Families, ALN 93.558; CCDF Cluster – Child Care and Development Block Grant, ALN 93.575, Child Care Mandatory and Matching Funds of the Child Care Development Fund, ALN 93.596, Low Income Household Water Assistance Program, ALN 93.499, U.S. Department of Agriculture; Special Supplemental Nutrition Program for Women, Infants and Children, ALN 10.557, U.S. Department of Labor; WIOA Cluster, WIOA Adult Program, ALN 17.258; and NH Public Utilities Commission; NON-FEDERAL, Electric Assistance Program.
8. The threshold for distinguishing Type A and B programs was \$1,081,604.
9. Southern New Hampshire Services, Inc. and Affiliate was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JULY 31, 2024**

There were no findings or questioned costs that were required to be reported in the Schedule of Findings and Questioned Costs for the year ended July 31, 2023.