

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

**COMBINED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
FOR THE YEARS ENDED JULY 31, 2023 AND 2022  
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, 2023 AND 2022**

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on 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, 2023 and 2022, 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 combined 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, 2023 and 2022, 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 11, 2024, 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.

*Leon McDonnell & Roberts  
Professional Association*

Dover, New Hampshire  
March 11, 2024

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

**COMBINED STATEMENTS OF FINANCIAL POSITION  
JULY 31, 2023 AND 2022**

**ASSETS**

	<b><u>2023</u></b>	<b><u>2022</u></b>
<b>CURRENT ASSETS</b>		
Cash	\$ 10,382,755	\$ 11,441,623
Investments	10,089,918	9,696,836
Grants receivable	4,657,945	4,458,963
Accounts receivable	1,075,088	949,902
Prepaid expenses	311,983	129,210
Total current assets	<u>26,517,689</u>	<u>26,676,534</u>
<b>PROPERTY</b>		
Land	4,060,574	3,575,080
Buildings and improvements	14,624,467	13,936,225
Vehicles and equipment	1,748,567	1,470,617
Total property	<u>20,433,608</u>	<u>18,981,922</u>
Less: accumulated depreciation	<u>6,392,579</u>	<u>6,720,057</u>
Property, net	<u>14,041,029</u>	<u>12,261,865</u>
<b>OTHER ASSETS</b>		
Restricted cash	<u>500,770</u>	<u>511,966</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 41,059,488</u></b>	<b><u>\$ 39,450,365</u></b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Current portion of long term debt	\$ 87,597	\$ 83,656
Accounts payable	2,053,707	991,023
Accrued payroll and related expenses	1,952,587	1,646,168
Accrued compensated absences	421,706	407,125
Other liabilities	235,052	222,094
Refundable advances	2,209,618	4,390,640
Tenant security deposits	82,007	95,757
Total current liabilities	<u>7,042,274</u>	<u>7,836,463</u>
<b>LONG TERM LIABILITIES</b>		
Long term debt, less current portion shown above	<u>1,389,230</u>	<u>1,905,793</u>
Total liabilities	<u>8,431,504</u>	<u>9,742,256</u>
<b>NET ASSETS</b>		
Without donor restrictions	<u>32,627,984</u>	<u>29,708,109</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 41,059,488</u></b>	<b><u>\$ 39,450,365</u></b>

See Notes to Combined Financial Statements

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

**COMBINED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>		
Grant revenue	\$ 110,665,844	\$ 131,572,939
Program service fees	804,331	930,848
Local funding	192,419	162,140
Rental income	1,134,229	1,248,788
Gifts and other contributions	286,973	375,231
Interest and dividend income	463,090	403,230
Unrealized loss on investments	(60,130)	(1,101,886)
Miscellaneous	160,034	162,429
In-kind contributions	1,406,827	992,197
Forgiveness of debt	440,000	900,000
Gain on disposal of property	495,109	8,545
	<u>115,988,726</u>	<u>135,654,461</u>
Total revenues, gains and other support		
<b>EXPENSES</b>		
<b>Program services</b>		
Child development	10,344,050	9,709,703
Community services	1,380,399	1,365,889
Economic and workforce development	5,576,367	4,855,488
Energy	21,055,560	15,581,785
Language and literacy	217,448	355,546
Housing and homeless	65,332,498	94,232,589
Nutrition and health	2,206,763	2,192,705
Special projects	2,031,500	1,798,981
Volunteer services	119,653	109,401
SNHS Management Corporation	2,726,036	2,458,985
Total program services	110,990,274	132,661,072
<b>Supporting activities</b>		
Management and general	<u>2,078,577</u>	<u>1,977,716</u>
Total expenses	<u>113,068,851</u>	<u>134,638,788</u>
<b>CHANGE IN NET ASSETS</b>	2,919,875	1,015,673
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>29,708,109</u>	<u>28,692,436</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 32,627,984</u>	<u>\$ 29,708,109</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>
<b>SUBTOTAL</b>	<b>10,474,721</b>	<b>1,418,060</b>	<b>5,586,497</b>	<b>21,113,876</b>	<b>292,240</b>	<b>65,357,221</b>	<b>2,262,193</b>
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>
<b>TOTAL EXPENSES</b>	<b><u>\$ 10,344,050</u></b>	<b><u>\$ 1,380,399</u></b>	<b><u>\$ 5,576,367</u></b>	<b><u>\$ 21,055,560</u></b>	<b><u>\$ 217,448</u></b>	<b><u>\$ 65,332,498</u></b>	<b><u>\$ 2,206,763</u></b>

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			Total Program Services	Support Services	2023 Total
	Special Projects	Volunteer Services	SNHS Management Corporation		Management and General	
<b>EXPENSES</b>						
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	-	-	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
<b>SUBTOTAL</b>	<b>2,070,780</b>	<b>135,270</b>	<b>2,740,057</b>	<b>111,450,915</b>	<b>2,084,225</b>	<b>113,535,140</b>
Eliminations	(39,280)	(15,617)	(14,021)	(460,641)	(5,648)	(466,289)
<b>TOTAL EXPENSES</b>	<b>\$ 2,031,500</b>	<b>\$ 119,653</b>	<b>\$ 2,726,036</b>	<b>\$ 110,990,274</b>	<b>\$ 2,078,577</b>	<b>\$ 113,068,851</b>

See Notes to Combined Financial Statements

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

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JULY 31, 2022**

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	\$ 4,662,659	\$ 558,156	\$ 1,990,951	\$ 1,547,109	\$ 236,067	\$ 2,016,252	\$ 864,686
Payroll taxes	348,302	42,274	149,819	117,947	17,294	153,374	65,249
Fringe benefits	1,503,860	97,032	429,260	421,614	26,123	363,941	241,067
Workers compensation insurance	97,375	7,094	4,336	11,681	5,631	4,375	24,217
Retirement benefits	345,542	51,651	166,504	114,842	9,313	59,619	64,339
Consultant and contractual	52,542	289,776	309,531	1,922,755	1,017	927,682	10,004
Travel and transportation	70,049	14,684	37,586	42,224	491	1,928	15,486
Conferences and meetings	-	10,660	-	5,378	-	1,016	825
Occupancy	634,228	147,065	554,837	129,718	29,924	52,641	56,192
Advertising	1,188	-	1,660	13,322	100	50	150
Supplies	269,441	24,289	15,592	105,391	12,122	81,566	254,026
Equipment rentals and maintenance	17,789	3,090	5,139	12,244	10,403	18,919	10,377
Insurance	19,075	47,462	5,982	23,078	-	2,463	4,717
Telephone	71,994	17,062	37,827	40,509	3,114	24,751	79,510
Postage	1,628	7	1,432	29,767	246	25,363	3,753
Printing and publications	1,488	4,588	-	16,531	645	-	-
Subscriptions	-	-	-	704	-	-	-
Program support	1,873	120,345	-	20,585	-	-	4,617
Interest	7,811	-	-	-	-	-	-
Depreciation	133,424	19,673	44,930	8,533	2,906	-	13,778
Assistance to clients	238,519	23,297	1,107,003	11,032,479	-	90,504,018	486,684
Other expense	346,271	2,816	4,642	10,508	-	3,203	4,744
Miscellaneous	12,952	44,591	1,036	1,696	150	2,088	1,822
In-kind expenses	992,197	-	-	-	-	-	-
<b>SUBTOTAL</b>	<b>9,830,207</b>	<b>1,525,612</b>	<b>4,868,067</b>	<b>15,628,615</b>	<b>355,546</b>	<b>94,243,249</b>	<b>2,206,243</b>
Eliminations	(120,504)	(159,723)	(12,579)	(46,830)	-	(10,660)	(13,538)
<b>TOTAL EXPENSES</b>	<b>\$ 9,709,703</b>	<b>\$ 1,365,889</b>	<b>\$ 4,855,488</b>	<b>\$ 15,581,785</b>	<b>\$ 355,546</b>	<b>\$ 94,232,589</b>	<b>\$ 2,192,705</b>

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, 2022**

	Program Services				Support Services	2022 Total
	Special Projects	Volunteer Services	SNHS Management Corporation	Total Program Services	Management and General	
<b>EXPENSES</b>						
Payroll	\$ 70,027	\$ 66,286	\$ 680,957	\$ 12,693,150	\$ 1,258,823	\$ 13,951,973
Payroll taxes	5,334	4,777	51,276	955,646	91,302	1,046,948
Fringe benefits	5,415	17,932	124,330	3,230,574	172,052	3,402,626
Workers compensation insurance	631	146	12,763	168,249	4,964	173,213
Retirement benefits	5,851	5,739	51,873	875,273	123,402	998,675
Consultant and contractual	1,576,097	2,790	154,643	5,246,837	181,115	5,427,952
Travel and transportation	2,535	1,347	43,639	229,969	6,137	236,106
Conferences and meetings	1,867	-	36,679	56,425	2,276	58,701
Occupancy	20,274	-	653,118	2,277,997	44,863	2,322,860
Advertising	25	500	1,641	18,636	338	18,974
Supplies	9,264	3,099	22,434	797,224	44,635	841,859
Equipment rentals and maintenance	5,673	21	10,928	94,583	1,052	95,635
Insurance	3,706	1,762	46,929	155,174	16,931	172,105
Telephone	2,770	3,137	24,285	304,959	14,673	319,632
Postage	7	752	766	63,721	11,966	75,687
Printing and publications	-	-	1,477	24,729	-	24,729
Subscriptions	-	900	665	2,269	1,029	3,298
Program support	3,336	-	73,105	223,861	-	223,861
Interest	-	-	47,746	55,557	-	55,557
Depreciation	48,286	-	395,803	667,333	4,114	671,447
Assistance to clients	41,099	-	24,779	103,457,878	-	103,457,878
Other expense	-	-	7,175	379,359	1,539	380,898
Miscellaneous	120	213	66,702	131,370	209	131,579
In-kind expenses	-	-	-	992,197	-	992,197
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>SUBTOTAL</b>	1,802,317	109,401	2,533,713	133,102,970	1,981,420	135,084,390
Eliminations	<u>(3,336)</u>	<u>-</u>	<u>(74,728)</u>	<u>(441,898)</u>	<u>(3,704)</u>	<u>(445,602)</u>
<b>TOTAL EXPENSES</b>	<u>\$ 1,798,981</u>	<u>\$ 109,401</u>	<u>\$ 2,458,985</u>	<u>\$ 132,661,072</u>	<u>\$ 1,977,716</u>	<u>\$ 134,638,788</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, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,919,875	\$ 1,015,673
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	719,153	671,447
Gain on disposal of property	(495,109)	(8,545)
Unrealized loss on investments	60,130	1,101,886
Forgiveness of debt	(440,000)	(900,000)
Loss on construction	-	70,044
Decrease (increase) in assets:		
Grants receivable	(198,982)	(1,007,324)
Accounts receivable	(125,186)	(171,292)
Prepaid expenses	(182,773)	7,482
Increase (decrease) in liabilities:		
Accounts payable	495,206	299,328
Accrued payroll and related expenses	306,419	458,824
Accrued compensated absences	14,581	(17,372)
Other liabilities	12,958	(21,028)
Refundable advances	(2,181,022)	2,966,502
Tenant security deposits	(13,750)	6,525
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>891,500</u>	<u>4,472,150</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property	(2,144,901)	(1,058,436)
Proceeds from disposal of property	709,171	45,428
Purchase of investments, reinvested dividends and capital gains	(453,212)	(402,006)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(1,888,942)</u>	<u>(1,415,014)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term debt	(72,622)	(68,765)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(72,622)</u>	<u>(68,765)</u>
<b>NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH</b>	(1,070,064)	2,988,371
<b>CASH AND RESTRICTED CASH, BEGINNING OF YEAR</b>	<u>11,953,589</u>	<u>8,965,218</u>
<b>CASH AND RESTRICTED CASH, END OF YEAR</b>	<u>\$ 10,883,525</u>	<u>\$ 11,953,589</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	<u>\$ 51,483</u>	<u>\$ 55,557</u>
<b>SUPPLEMENTAL DISCLOSURES OF NONCASH FINANCING ACTIVITIES</b>		
Building Improvements in the current year in accounts payable	<u>\$ 567,478</u>	<u>\$ -</u>
<b>CASH AND RESTRICTED CASH</b>		
Cash	\$ 10,382,755	\$ 11,441,623
Restricted cash	500,770	511,966
Total cash and restricted cash	<u>\$ 10,883,525</u>	<u>\$ 11,953,589</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, 2023 AND 2022**

#### **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, 2023 AND 2022**

As of July 31, 2023 and 2022, the Organization had no net assets with donor restrictions.

#### **Combined Financial Statements**

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

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, 2023 and 2022.

#### **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, 2023 and 2022.

## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

### NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED JULY 31, 2023 AND 2022

#### Accounts and Grants Receivable

All accounts and grants receivable are stated at the amount management expects to collect from balances outstanding at year-end. Receivables are recorded on the accrual basis of accounting primarily based on reimbursable contracts, grants, and agreements. Balances outstanding after management has used reasonable collection efforts are written off through a charge to bad debt expense and a credit to the applicable accounts receivable. Management does not believe an allowance for uncollectible accounts receivable is necessary at July 31, 2023 and 2022.

#### 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, 2023 AND 2022

The Organization has elected to apply the practical expedient allowed under FASB ASC 606-10-10-4 for applying the revenue standard to a portfolio of contracts with similar characteristics. The Organization accounts for the contracts within each portfolio as a collective group, rather than individual contracts, based on the payment pattern expected in each portfolio category and the similar nature and characteristics of the clients within each portfolio. The portfolios consist of major payor classes for childcare services. Based on historical collection trends and other analysis, the Organization has concluded that revenue for a given portfolio would not be materially different than if accounting for revenue on a contract-by-contract basis.

The Organization has also elected to apply the practical expedient allowed under FASB ASC 606-10-32-18 for the financing component, as the period of time between the service being provided and the time that the client or third-party payor pays for the service is typically one year or less.

#### 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.



## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

### NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED JULY 31, 2023 AND 2022

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 95% and 97% of total revenue in the fiscal years ended July 31, 2023 and 2022, respectively.

#### *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, 2023 and 2022 are \$1,406,827 and \$992,197, 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, 2023 and 2022 was \$719,153 and \$671,447, 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.

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

### **NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

#### **Income Taxes**

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

#### **Functional Allocation of Expenses**

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

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

#### **New Accounting Pronouncement**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The standard applies a right of use model that requires, all leases with a lease term of more than 12 months, to recognize an asset representing its right to use the underlying asset for the lease term and liability to make lease payments to be recorded. The adoption of ASU 2016-02 did not have a material impact on the Organization's results of operations and cash flows. There were no material amounts to be recognized as operating right of use asset or operating lease liability at July 31, 2023, due to limited leases having a term greater than 12 months.

#### **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, 2023 AND 2022**

**NOTE 3. FAIR VALUE MEASUREMENT**

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

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

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

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

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

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at July 31, 2023 and 2022.

*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 assets at fair value as of July 31:

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

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

  

	<b><u>2022</u></b>			
	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Total mutual funds at fair value	<u>\$ 9,696,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,696,836</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:

	<b><u>2023</u></b>		<b><u>2022</u></b>	
	<b><u>Market Value</u></b>	<b><u>Cost</u></b>	<b><u>Market Value</u></b>	<b><u>Cost</u></b>
Mutual Funds	<u>\$10,089,918</u>	<u>\$ 9,694,288</u>	<u>\$ 9,696,836</u>	<u>\$ 9,241,075</u>

The Organization had unrealized losses on investments of \$60,130 and \$1,101,886, at July 31, 2023 and 2022, respectively.

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

	<b><u>2023</u></b>	<b><u>2022</u></b>
Fair value – beginning of year	\$ 9,696,836	\$ 10,396,716
Dividends and capital gains, reinvested	453,212	402,006
Unrealized loss	<u>(60,130)</u>	<u>(1,101,886)</u>
Fair value – end of year	<u>\$ 10,089,918</u>	<u>\$ 9,696,836</u>



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

**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

**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:

	<b><u>2023</u></b>	<b><u>2022</u></b>
Cash	\$10,382,755	\$11,441,623
Investments	10,089,918	9,696,836
Grants receivable	4,657,945	4,458,963
Accounts receivable	<u>1,075,088</u>	<u>949,902</u>
Total financial assets available within one year	<b><u>\$26,205,706</u></b>	<b><u>\$26,547,324</u></b>

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, 2023 and 2022 consisted of the following:

	<b><u>2023</u></b>	<b><u>2022</u></b>
<b><u>SNHS, Inc.</u></b>		
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, 2023 and 2022.	\$ 162,615	\$ 182,389

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

	<b><u>2023</u></b>	<b><u>2022</u></b>
<b><u>SNHS Management Corporation</u></b>		
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%.	174,800	181,569
Mortgage payable to the City of Nashua secured by real estate located on Vine St., Nashua, NH. Mortgage will be forgiven only if real estate remains low-income housing for 30 years. Interest is at 10.00%, annually if requirements are not met. This barrier was met during the year ended July 31, 2023 and the mortgage was forgiven in full and recognized into income (See <b>Note 10</b> ).	-	20,000
Mortgage payable to New Hampshire Community Loan Fund secured by real estate located on, Vine St., Nashua, NH. Mortgage will be forgiven only if real estate remains low-income housing for 30 years. Interest is at 10.00%, annually if requirements are not met. This barrier was met during the year ended July 31, 2023 and the mortgage was forgiven in full and recognized into income (See <b>Note 10</b> ).	-	250,000
Mortgage payable to bank, secured by real estate located on West Pearl St., Nashua, NH. Mortgage will be forgiven only if real estate remains low-income housing for 40 years. Interest is at 0.00%. This barrier was met during the year ended July 31, 2023 and the mortgage was forgiven in full and recognized into income (See <b>Note 10</b> ).	-	170,000

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

	<b><u>2023</u></b>	<b><u>2022</u></b>
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%.	295,423	322,593
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%.	289,789	308,698
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>
	1,476,827	1,989,449
Less: current portion due within one year	<u>87,597</u>	<u>83,656</u>
	<b><u>\$ 1,389,230</u></b>	<b><u>\$ 1,905,793</u></b>

The schedule of maturities of long term debt at July 31, 2023 is as follows:

<b><u>Year Ending</u></b> <b><u>July 31</u></b>	<b><u>Amount</u></b>
2024	\$ 87,597
2025	80,491
2026	84,899
2027	89,564
2028	94,498
Thereafter	<u>1,039,778</u>
Total	<b><u>\$ 1,476,827</u></b>

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

**NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

**NOTE 7. OPERATING LEASES**

The Organization leases various facilities under several operating leases. Total lease payments for the years ended July 31, 2023 and 2022 equaled \$923,323 and \$864,053, respectively. The leases expire at various times through 2025. Some of the leases contain renewal options that are contingent upon federal funding, and some contain renewal options subject to renegotiation of lease terms. Annual leases with the Organization for the years ended July 31, 2023 and 2022 totaled \$229,188 and \$221,737, respectively. These leases have been eliminated in the combined financial statements.

The schedule of future minimum lease payments at July 31, 2023 for the operating leases is as follows:

<b><u>Year Ending July 31</u></b>	<b><u>Amount</u></b>
2024	\$ 78,161
2025	<u>12,524</u>
Total	<u>\$ 90,685</u>

**NOTE 8. ACCRUED COMPENSATED BALANCES**

At July 31, 2023 and 2022 the Organization accrued a liability for future annual leave time that its employees had earned in the amount of \$421,706 and \$407,125, 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, 2023 and 2022 was \$994,266 and \$998,675, 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 (**Note 6**).



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

**NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

During the year ended July 31, 2022, the Organization realized forgiveness of debt income in connection with a mortgage payable to the City of Nashua. The real estate located on Vine St. in Nashua, New Hampshire remained as low-income housing for 30 years which satisfied the criteria for debt forgiveness from the City of Nashua. Forgiveness of debt income totaled \$900,000 for the year ended July 31, 2022 on the accompanying combined statement of activities.

**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.

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, 2023 and 2022. 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**.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

The fair value of gifts in kind included contributions in the financial statements and the corresponding program expenses for the year ended July 31, 2023 and 2022, is as follows:

	<u>2023</u>	<u>2022</u>
Volunteer hours		
Head Start and Early	<u>\$1,406,827</u>	<u>\$992,197</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, 2023 financial statements, to conform to the current year presentation.

**NOTE 14. SUBSEQUENT EVENTS**

Management has made an evaluation of subsequent events through March 11, 2024, 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, 2023**

	<u>SNHS, Inc.</u>	<u>SNHS Management Corporation</u>	<u>Sub-Total</u>	<u>Elimination</u>	<u>Total</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 1,261,357	\$ 9,121,398	\$ 10,382,755	\$ -	\$ 10,382,755
Investments	-	10,089,918	10,089,918	-	10,089,918
Grants receivable	4,613,855	44,090	4,657,945	-	4,657,945
Accounts receivable	-	1,075,088	1,075,088	-	1,075,088
Prepaid expenses	251,407	60,576	311,983	-	311,983
Due from related parties	5,288,049	(2,672,032)	2,616,017	(2,616,017)	-
Total current assets	11,414,668	17,719,038	29,133,706	(2,616,017)	26,517,689
<b>PROPERTY</b>					
Land	646,805	3,413,769	4,060,574	-	4,060,574
Buildings and improvements	3,969,256	10,655,211	14,624,467	-	14,624,467
Vehicles and equipment	1,498,975	249,592	1,748,567	-	1,748,567
Total property	6,115,036	14,318,572	20,433,608	-	20,433,608
Less: accumulated depreciation	1,949,302	4,443,277	6,392,579	-	6,392,579
Total property, net	4,165,734	9,875,295	14,041,029	-	14,041,029
<b>OTHER ASSETS</b>					
Restricted cash	30,781	469,989	500,770	-	500,770
<b>TOTAL ASSETS</b>	<b>\$ 15,611,183</b>	<b>\$ 28,064,322</b>	<b>\$ 43,675,505</b>	<b>\$ (2,616,017)</b>	<b>\$ 41,059,488</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Current portion of long term debt	\$ 19,966	\$ 67,631	\$ 87,597	\$ -	\$ 87,597
Accounts payable	1,892,132	161,575	2,053,707	-	2,053,707
Accrued payroll and related expenses	280,588	1,671,999	1,952,587	-	1,952,587
Accrued compensated absences	-	421,706	421,706	-	421,706
Other liabilities	212,307	22,745	235,052	-	235,052
Refundable advances	1,694,546	515,072	2,209,618	-	2,209,618
Tenant security deposits	29,459	52,548	82,007	-	82,007
Due to related parties	2,672,032	(56,015)	2,616,017	(2,616,017)	-
Total current liabilities	6,801,030	2,857,261	9,658,291	(2,616,017)	7,042,274
<b>NONCURRENT LIABILITIES</b>					
Long term debt, less current portion shown above	142,649	1,246,581	1,389,230	-	1,389,230
Total liabilities	6,943,679	4,103,842	11,047,521	(2,616,017)	8,431,504
<b>NET ASSETS</b>					
Without donor restrictions	8,667,504	23,960,480	32,627,984	-	32,627,984
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 15,611,183</b>	<b>\$ 28,064,322</b>	<b>\$ 43,675,505</b>	<b>\$ (2,616,017)</b>	<b>\$ 41,059,488</b>



**SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE****COMBINING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED JULY 31, 2023**

	SNHS, Inc.	SNHS Management Corporation	Sub-Total	Elimination	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>					
Grant revenue	\$ 110,665,844	\$ -	\$ 110,665,844	\$ -	\$ 110,665,844
Program service fees	275,039	766,393	1,041,432	(237,101)	804,331
Local funding	-	192,419	192,419	-	192,419
Rental income	-	1,363,417	1,363,417	(229,188)	1,134,229
Gifts and other contributions	266,926	20,047	286,973	-	286,973
Interest and dividend income	620	462,470	463,090	-	463,090
Unrealized loss on investments	-	(60,130)	(60,130)	-	(60,130)
Miscellaneous	124,603	35,431	160,034	-	160,034
Forgiveness of debt	-	440,000	440,000	-	440,000
Gain on disposal of property	16,301	478,808	495,109	-	495,109
In-kind contributions	1,406,827	-	1,406,827	-	1,406,827
Total revenues, gains and other support	<u>112,756,160</u>	<u>3,698,855</u>	<u>116,455,015</u>	<u>(466,289)</u>	<u>115,988,726</u>
<b>EXPENSES</b>					
<b>Program services</b>					
Child development	10,474,721	-	10,474,721	(130,671)	10,344,050
Community services	1,418,060	-	1,418,060	(37,661)	1,380,399
Economic and workforce development	5,586,497	-	5,586,497	(10,130)	5,576,367
Energy	21,113,876	-	21,113,876	(58,316)	21,055,560
Language and literacy	292,240	-	292,240	(74,792)	217,448
Housing and homeless	65,357,221	-	65,357,221	(24,723)	65,332,498
Nutrition and health	2,262,193	-	2,262,193	(55,430)	2,206,763
Special projects	2,070,780	-	2,070,780	(39,280)	2,031,500
Volunteer services	135,270	-	135,270	(15,617)	119,653
SNHS Management Corporation	-	2,740,057	2,740,057	(14,021)	2,726,036
Total program services	<u>108,710,858</u>	<u>2,740,057</u>	<u>111,450,915</u>	<u>(460,641)</u>	<u>110,990,274</u>
<b>Supporting activities</b>					
Management and general	<u>2,084,225</u>	<u>-</u>	<u>2,084,225</u>	<u>(5,648)</u>	<u>2,078,577</u>
Total expenses	<u>110,795,083</u>	<u>2,740,057</u>	<u>113,535,140</u>	<u>(466,289)</u>	<u>113,068,851</u>
<b>CHANGE IN NET ASSETS</b>	<u>1,961,077</u>	<u>958,798</u>	<u>2,919,875</u>	<u>-</u>	<u>2,919,875</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>6,706,427</u>	<u>23,001,682</u>	<u>29,708,109</u>	<u>-</u>	<u>29,708,109</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 8,667,504</u>	<u>\$ 23,960,480</u>	<u>\$ 32,627,984</u>	<u>\$ -</u>	<u>\$ 32,627,984</u>

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

**STATEMENTS OF FINANCIAL POSITION**  
**JULY 31, 2023 AND 2022**

**ASSETS**

	<b><u>2023</u></b>	<b><u>2022</u></b>
<b>CURRENT ASSETS</b>		
Cash	\$ 18,114	\$ 16,249
Prepaid expenses	<u>9,492</u>	<u>6,648</u>
Total current assets	<u>27,606</u>	<u>22,897</u>
<b>RESTRICTED CASH</b>		
Insurance escrow	1,074	3,120
Tax escrow	4,767	4,959
Replacement reserves	42,339	27,778
Operating reserve	<u>55,427</u>	<u>79,495</u>
Total restricted cash	<u>103,607</u>	<u>115,352</u>
<b>PROPERTY</b>		
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>110,812</u>	<u>93,216</u>
Property, net	<u>653,966</u>	<u>671,562</u>
<b>OTHER ASSETS</b>		
Tenant security deposits	<u>13,504</u>	<u>14,643</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 798,683</u></b>	<b><u>\$ 824,454</u></b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Current portion of mortgage note payable	\$ 7,010	\$ 6,769
Accounts payable	4,364	5,448
Accrued expenses	<u>328</u>	<u>49</u>
Total current liabilities	<u>11,702</u>	<u>12,266</u>
<b>LONG TERM LIABILITIES</b>		
Due to affiliate	47,697	29,575
Mortgage note payable, less current portion as shown above	167,790	174,800
Tenant security deposits	<u>13,504</u>	<u>14,643</u>
Total long term liabilities	<u>228,991</u>	<u>219,018</u>
Total liabilities	240,693	231,284
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>557,990</u>	<u>593,170</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 798,683</u></b>	<b><u>\$ 824,454</u></b>

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

**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>INCOME</b>		
Rental income	\$ 171,902	\$ 175,309
Interest income	8	11
Interest income restricted	2,537	172
Other income	<u>3,680</u>	<u>5,400</u>
Total income	<u>178,127</u>	<u>180,892</u>
<b>OPERATING EXPENSES</b>		
Administrative	43,135	39,451
Utilities	42,357	45,744
Maintenance	74,601	62,802
General	<u>29,371</u>	<u>26,246</u>
Total operating expenses	<u>189,464</u>	<u>174,243</u>
<b>INTEREST EXPENSE</b>	<u>6,247</u>	<u>6,479</u>
<b>INCOME (LOSS) BEFORE DEPRECIATION</b>	(17,584)	170
Depreciation	<u>17,596</u>	<u>17,494</u>
<b>CHANGE IN NET ASSETS</b>	(35,180)	(17,324)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>593,170</u>	<u>610,494</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 557,990</u>	<u>\$ 593,170</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, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Management fee	\$ 14,400	\$ 14,400
Salaries and wages	11,803	6,816
Fringe benefits	3,376	2,043
Legal	4,443	3,971
Investment and management fee	-	6,120
Telephone	399	1,687
Other administrative expenses	<u>8,714</u>	<u>4,414</u>
Total administrative expenses	<u>43,135</u>	<u>39,451</u>
<b>UTILITIES</b>		
Electricity	17,226	17,056
Fuel	12,218	15,579
Water and sewer	12,913	11,630
Other utility expense	<u>-</u>	<u>1,479</u>
Total utility expenses	<u>42,357</u>	<u>45,744</u>
<b>MAINTENANCE</b>		
Trash removal	2,512	2,533
Snow removal	16,214	12,496
Elevator repairs and contract	3,482	3,756
Custodial supplies	15	295
Repairs, materials	44,680	35,522
Repairs, contract	<u>7,698</u>	<u>8,200</u>
Total maintenance expense	<u>74,601</u>	<u>62,802</u>
<b>INTEREST, NHH MORTGAGE NOTE</b>	<u>6,247</u>	<u>6,479</u>
<b>DEPRECIATION</b>	<u>17,596</u>	<u>17,494</u>
<b>GENERAL EXPENSE</b>		
Real estate taxes	20,392	19,648
Payroll taxes	902	515
Retirement benefits	1,074	50
Workman's compensation	553	351
Insurance	<u>6,450</u>	<u>5,682</u>
Total general expense	<u>29,371</u>	<u>26,246</u>
<b>TOTAL RENTAL OPERATIONS EXPENSES</b>	<u>\$ 213,307</u>	<u>\$ 198,216</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, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>SOURCES OF FUNDS:</b>		
Rental operations		
<b>INCOME</b>		
Tenant paid rent	\$ 157,554	\$ 157,575
HAP rent subsidy	<u>14,348</u>	<u>17,734</u>
Total rental receipts	171,902	175,309
Interest income	2,545	183
Service income	2,345	2,635
Other income	<u>1,335</u>	<u>2,765</u>
Total rental operations receipts	<u>178,127</u>	<u>180,892</u>
<b>EXPENSES</b>		
Administrative	43,213	39,008
Utilities	43,426	41,718
Maintenance	74,259	63,138
General	32,215	25,539
Interest	<u>6,247</u>	<u>6,479</u>
Total rental operations disbursements	<u>199,360</u>	<u>175,882</u>
<b>CASH PROVIDED BY (USED IN) RENTAL OPERATIONS BEFORE AMORTIZATION OF MORTGAGE</b>	(21,233)	5,010
<b>AMORTIZATION OF MORTGAGE</b>	<u>(6,769)</u>	<u>(6,537)</u>
<b>CASH USED IN RENTAL OPERATIONS AFTER DEBT SERVICE</b>	(28,002)	(1,527)
<b>OTHER DISBURSEMENTS</b>		
Net receipts (payments) from management agent	18,122	(556)
Net withdrawals (deposits) from reserve accounts	11,745	(6,128)
Purchase of property	<u>-</u>	<u>(6,070)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	1,865	(14,281)
<b>CASH, BEGINNING OF YEAR</b>	<u>16,249</u>	<u>30,530</u>
<b>CASH, END OF YEAR</b>	<u>\$ 18,114</u>	<u>\$ 16,249</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, 2023 AND 2022**

<b><u>DESCRIPTION OF FUND:</u></b>		<b><u>Deposits</u></b>		<b><u>Withdrawals</u></b>	
	<b><u>Balance</u></b>				<b><u>Balance</u></b>
<b><u>Restricted Accounts:</u></b>	<b><u>Beginning of</u></b>	<b><u>Funding of</u></b>	<b><u>Interest</u></b>	<b><u>Expenditures</u></b>	<b><u>End of</u></b>
	<b><u>Year</u></b>	<b><u>Reserves</u></b>	<b><u>Earned</u></b>		<b><u>Year</u></b>
<b><u>For the Year Ended July 31, 2023</u></b>					
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>
<b>TOTAL RESTRICTED CASH RESERVES AND ESCROWS</b>	<b><u>\$ 115,352</u></b>	<b><u>\$ 40,531</u></b>	<b><u>\$ 2,537</u></b>	<b><u>\$ (54,813)</u></b>	<b><u>\$ 103,607</u></b>
<b><u>For the Year Ended July 31, 2022</u></b>					
Operating reserve	\$ 79,373	\$ -	\$ 122	\$ -	\$ 79,495
Insurance escrow	2,911	6,443	5	(6,239)	3,120
Tax escrow	5,228	19,010	9	(19,288)	4,959
Replacement reserve	<u>21,712</u>	<u>11,850</u>	<u>36</u>	<u>(5,820)</u>	<u>27,778</u>
<b>TOTAL RESTRICTED CASH RESERVES AND ESCROWS</b>	<b><u>\$ 109,224</u></b>	<b><u>\$ 37,303</u></b>	<b><u>\$ 172</u></b>	<b><u>\$ (31,347)</u></b>	<b><u>\$ 115,352</u></b>

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

**SCHEDULES OF SURPLUS CASH**  
**FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>Net loss</b>	\$ (35,180)	\$ (17,324)
<u>Add:</u>		
Depreciation	17,596	17,494
<u>Deduct:</u>		
Interest income from reserve accounts	(2,537)	(172)
Required principal payments	(6,769)	(6,537)
Required payments to replacement reserves	(13,800)	(11,850)
<u>Add other NHHFA approved items:</u>		
Investor services fee	<u>          -</u>	<u>      6,120</u>
<b>Cash deficit</b>	<b><u>\$ (40,690)</u></b>	<b><u>\$ (12,269)</u></b>

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

**YEAR-TO-DATE COMPILATION OF OWNERS' FEE/DISTRIBUTION**  
**FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

<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



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

**STATEMENTS OF FINANCIAL POSITION**  
**JULY 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 18,628	\$ 20,017
Prepaid expenses	<u>12,694</u>	<u>10,768</u>
Total current assets	<u>31,322</u>	<u>30,785</u>
<b>RESTRICTED CASH</b>		
Tax escrow	-	6,556
Replacement reserves	97,522	115,584
Operating reserves	<u>-</u>	<u>70,051</u>
Total restricted cash	<u>97,522</u>	<u>192,191</u>
<b>PROPERTY</b>		
Land	176,000	176,000
Buildings and improvements	<u>1,191,515</u>	<u>1,174,605</u>
Total property	1,367,515	1,350,605
Less accumulated depreciation	<u>220,105</u>	<u>185,773</u>
Property, net	<u>1,147,410</u>	<u>1,164,832</u>
<b>OTHER ASSETS</b>		
Tenant security deposits	<u>17,977</u>	<u>18,408</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,294,231</u></b>	<b><u>\$ 1,406,216</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	5,232	3,944
Accrued expenses	<u>1,287</u>	<u>1,105</u>
Total current liabilities	<u>6,519</u>	<u>5,049</u>
<b>LONG TERM LIABILITIES</b>		
Due to affiliate	119,427	119,202
Mortgage note payable	-	270,000
Tenant security deposits	<u>17,977</u>	<u>18,408</u>
Total long term liabilities	<u>137,404</u>	<u>407,610</u>
Total liabilities	143,923	412,659
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>1,150,308</u>	<u>993,557</u>
<b>TOTAL LIABILITITES AND NET ASSETS</b>	<b><u>\$ 1,294,231</u></b>	<b><u>\$ 1,406,216</u></b>

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

**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>INCOME</b>		
Rental income	\$ 209,138	\$ 195,796
Interest income	12	10
Interest income restricted	68	93
Other income	<u>1,683</u>	<u>985</u>
Total income	<u>210,901</u>	<u>196,884</u>
<b>OPERATING EXPENSES</b>		
Administrative	89,901	74,425
Utilities	66,959	59,878
Maintenance	93,611	59,321
General	<u>39,347</u>	<u>37,821</u>
Total operating expenses	<u>289,818</u>	<u>231,445</u>
<b>LOSS BEFORE DEPRECIATION AND FORGIVENESS OF DEBT</b>	(78,917)	(34,561)
Depreciation	(34,332)	(32,741)
Forgiveness of debt	<u>270,000</u>	<u>900,000</u>
<b>CHANGE IN NET ASSETS</b>	156,751	832,698
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>993,557</u>	<u>160,859</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,150,308</u>	<u>\$ 993,557</u>

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

**SCHEDULES OF RENTAL OPERATIONS EXPENSES**  
**FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>ADMINISTRATIVE EXPENSES</b>		
Management fee	\$ 17,688	\$ 17,688
Salaries and wages	50,761	42,968
Fringe benefits	5,912	3,843
Legal	6,172	4,563
Telephone	119	1,540
Other administrative expenses	<u>9,249</u>	<u>3,823</u>
Total administrative expenses	<u>89,901</u>	<u>74,425</u>
<b>UTILITIES</b>		
Electricity	29,620	30,929
Fuel	24,853	15,424
Water and sewer	12,486	11,912
Other utility expense	<u>-</u>	<u>1,613</u>
Total utility expenses	<u>66,959</u>	<u>59,878</u>
<b>MAINTENANCE</b>		
Trash removal	3,265	2,969
Snow removal	10,956	9,360
Elevator repairs and contract	6,079	5,789
Custodial supplies	543	826
Repairs, materials	66,772	33,772
Repairs, contract	<u>5,996</u>	<u>6,605</u>
Total maintenance expense	<u>93,611</u>	<u>59,321</u>
<b>DEPRECIATION</b>	<u>34,332</u>	<u>32,741</u>
<b>GENERAL EXPENSE</b>		
Real estate taxes	19,563	21,938
Payroll taxes	3,871	3,281
Retirement benefits	2,436	2,077
Workman's compensation	1,648	1,487
Insurance	<u>11,829</u>	<u>9,038</u>
Total general expense	<u>39,347</u>	<u>37,821</u>
<b>TOTAL RENTAL OPERATIONS EXPENSES</b>	<u>\$ 324,150</u>	<u>\$ 264,186</u>

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

**SCHEDULES OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>SOURCES OF FUNDS:</b>		
Rental operations		
<b>INCOME</b>		
Tenant paid rent	\$ 179,903	\$ 172,359
HAP rent subsidy	<u>29,235</u>	<u>23,437</u>
Total rental receipts	209,138	195,796
Interest income	80	103
Service income	<u>1,683</u>	<u>985</u>
Total rental operations receipts	<u>210,901</u>	<u>196,884</u>
<b>EXPENSES</b>		
Administrative	89,155	74,686
Utilities	64,314	60,931
Maintenance	95,532	56,276
General	<u>41,273</u>	<u>39,512</u>
Total rental operations disbursements	<u>290,274</u>	<u>231,405</u>
<b>CASH USED IN RENTAL OPERATIONS</b>	(79,373)	(34,521)
<b>OTHER DISBURSEMENTS</b>		
Net receipts from management agent	225	69,492
Net withdrawals (deposits) from reserve accounts	94,669	(15,695)
Transfer to tenant security deposit account	-	17
Purchase of property	<u>(16,910)</u>	<u>(17,275)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(1,389)	2,018
<b>CASH, BEGINNING OF YEAR</b>	<u>20,017</u>	<u>17,999</u>
<b>CASH, END OF YEAR</b>	<u>\$ 18,628</u>	<u>\$ 20,017</u>

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

**SCHEDULES OF RESTRICTED CASH RESERVES AND ESCROWS**  
**FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

<u>DESCRIPTION OF FUND:</u>		<u>Deposits</u>		<u>Withdrawals</u>	
	<u>Balance</u> <u>Beginning of</u> <u>Year</u>	<u>Funding of</u> <u>Reserves</u>	<u>Interest</u> <u>Earned</u>	<u>Expenditures</u>	<u>Balance</u> <u>End of</u> <u>Year</u>
<b><u>Restricted Accounts:</u></b>					
<b><u>For the Year Ended July 31, 2023</u></b>					
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>
<b>TOTAL RESTRICTED CASH RESERVES AND ESCROWS</b>	<b><u>\$ 192,191</u></b>	<b><u>\$ 15,600</u></b>	<b><u>\$ 68</u></b>	<b><u>\$ (110,337)</u></b>	<b><u>\$ 97,522</u></b>
<b><u>For the Year Ended July 31, 2022</u></b>					
Operating reserve	\$ 70,015	\$ -	\$ 36	\$ -	\$ 70,051
Tax escrow	6,552	-	4	-	6,556
Replacement reserve	<u>99,929</u>	<u>15,600</u>	<u>55</u>	<u>-</u>	<u>115,584</u>
<b>TOTAL RESTRICTED CASH RESERVES AND ESCROWS</b>	<b><u>\$ 176,496</u></b>	<b><u>\$ 15,600</u></b>	<b><u>\$ 95</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 192,191</u></b>



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

**SCHEDULES OF SURPLUS CASH**  
**FOR THE YEARS ENDED JULY 31, 2023 AND 2022**

	<b><u>2023</u></b>	<b><u>2022</u></b>
<b>Net loss</b>	\$ 156,751	\$ 832,698
<u>Add:</u>		
Depreciation	34,332	32,741
Reserve for replacement withdrawals not capitalized	33,708	-
<u>Deduct:</u>		
Interest income from reserve accounts	(68)	(93)
Required payments to replacement reserves	(15,600)	(15,600)
<u>Add other NHHFA approved items:</u>		
Forgiveness of debt income	<u>(270,000)</u>	<u>(900,000)</u>
<b>Cash deficit</b>	<b><u>\$ (60,877)</u></b>	<b><u>\$ (50,254)</u></b>

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

**STATEMENTS OF FINANCIAL POSITION**  
**JULY 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 52,119	\$ 99,295
Prepaid expenses	9,378	8,701
Total current assets	<u>61,497</u>	<u>107,996</u>
<b>RESTRICTED CASH</b>		
Insurance escrow	950	2,761
Tax escrow	5,728	6,414
Replacement reserves	213,685	207,873
Operating reserves	69,541	68,049
Total restricted cash	<u>289,904</u>	<u>285,097</u>
<b>PROPERTY</b>		
Land	211,000	211,000
Buildings and improvements	932,700	932,700
Total property	1,143,700	1,143,700
Less accumulated depreciation	<u>124,370</u>	<u>99,515</u>
Property, net	<u>1,019,330</u>	<u>1,044,185</u>
<b>OTHER ASSETS</b>		
Tenant security deposits	<u>16,159</u>	<u>16,261</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,386,890</u>	<u>\$ 1,453,539</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of mortgage note payable	\$ 20,275	\$ 18,908
Accounts payable	971	29,355
Accrued expenses	552	823
Deferred revenue	<u>-</u>	<u>11,695</u>
Total current liabilities	<u>21,798</u>	<u>60,781</u>
<b>LONG TERM LIABILITIES</b>		
Due to affiliate	73,732	84,358
Mortgage note payable, less current portion as shown above	812,439	832,715
Tenant security deposits	<u>16,159</u>	<u>16,261</u>
Total long term liabilities	<u>902,330</u>	<u>933,334</u>
Total liabilities	924,128	994,115
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>462,762</u>	<u>459,424</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,386,890</u>	<u>\$ 1,453,539</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, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>INCOME</b>		
Rental income	\$ 260,356	\$ 267,614
Interest income	37	44
Interest income restricted	6,079	435
Other income	<u>3,950</u>	<u>3,876</u>
Total income	<u>270,422</u>	<u>271,969</u>
<b>OPERATING EXPENSES</b>		
Administrative	52,690	45,122
Utilities	37,510	35,470
Maintenance	92,814	76,135
General	<u>38,206</u>	<u>32,936</u>
Total operating expenses	<u>221,220</u>	<u>189,663</u>
<b>INTEREST EXPENSE</b>	<u>21,009</u>	<u>22,284</u>
<b>INCOME BEFORE DEPRECIATION</b>	28,193	60,022
Depreciation	<u>24,855</u>	<u>23,580</u>
<b>CHANGE IN NET ASSETS</b>	3,338	36,442
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>459,424</u>	<u>422,982</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 462,762</u>	<u>\$ 459,424</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, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>ADMINISTRATIVE EXPENSES</b>		
Advertising	\$ 500	\$ 63
Management fee	18,000	18,000
Salaries and wages	24,180	13,605
Fringe benefits	661	2,476
Legal	-	506
Telephone	237	2,180
Other administrative expenses	<u>9,112</u>	<u>8,292</u>
Total administrative expenses	<u>52,690</u>	<u>45,122</u>
<b>UTILITIES</b>		
Electricity	19,092	20,171
Fuel	12,381	9,093
Water and sewer	6,037	5,064
Other utility expense	<u>-</u>	<u>1,142</u>
Total utility expenses	<u>37,510</u>	<u>35,470</u>
<b>MAINTENANCE</b>		
Trash removal	2,737	3,007
Snow removal	25,370	27,185
Custodial supplies	-	396
Repairs, materials	50,691	31,512
Repairs, contract	<u>14,016</u>	<u>14,035</u>
Total maintenance expense	<u>92,814</u>	<u>76,135</u>
<b>INTEREST</b>	<u>21,009</u>	<u>22,284</u>
<b>DEPRECIATION</b>	<u>24,855</u>	<u>23,580</u>
<b>GENERAL EXPENSE</b>		
Real estate taxes	26,617	25,449
Payroll taxes	1,849	1,041
Retirement benefits	1,349	50
Workman's compensation	1,157	701
Insurance	<u>7,234</u>	<u>5,695</u>
Total general expense	<u>38,206</u>	<u>32,936</u>
<b>TOTAL RENTAL OPERATIONS EXPENSES</b>	<u>\$ 267,084</u>	<u>\$ 235,527</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, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>SOURCES OF FUNDS:</b>		
Rental operations		
<b>INCOME</b>		
Tenant paid rent	\$ 124,060	\$ 137,382
HAP rent subsidy	<u>124,601</u>	<u>141,927</u>
Total rental receipts	248,661	279,309
Interest income	6,116	479
Service income	2,510	2,435
Other income	<u>1,440</u>	<u>1,441</u>
Total rental operations receipts	<u>258,727</u>	<u>283,664</u>
<b>EXPENSES</b>		
Administrative	52,989	45,102
Utilities	39,292	33,401
Maintenance	93,861	75,725
General	38,910	33,759
Interest	<u>21,009</u>	<u>22,284</u>
Total rental operations disbursements	<u>246,061</u>	<u>210,271</u>
<b>CASH PROVIDED BY RENTAL OPERATIONS BEFORE AMORTIZATION OF MORTGAGE</b>	12,666	73,393
<b>AMORTIZATION OF MORTGAGE</b>	<u>(18,909)</u>	<u>(17,633)</u>
<b>CASH PROVIDED BY (USED IN) RENTAL OPERATIONS AFTER DEBT SERVICE</b>	(6,243)	55,760
<b>OTHER DISBURSEMENTS</b>		
Fixed asset addition placed in service prior year paid in current year	(25,500)	-
Net payments from management agent	(10,626)	(10,504)
Net deposits from reserve accounts	(4,807)	(26,827)
Transfer tenant security deposits	<u>-</u>	<u>(50)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(47,176)	18,379
<b>CASH, BEGINNING OF YEAR</b>	<u>99,295</u>	<u>80,916</u>
<b>CASH, END OF YEAR</b>	<u>\$ 52,119</u>	<u>\$ 99,295</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, 2023 AND 2022**

<u>DESCRIPTION OF FUND:</u>	<u>Balance</u> <u>Beginning of</u> <u>Year</u>	<u>Deposits</u>		<u>Withdrawals</u>	<u>Balance</u> <u>End of</u> <u>Year</u>
		<u>Funding of</u> <u>Reserves</u>	<u>Interest</u> <u>Earned</u>	<u>Expenditures</u>	
<b><u>Restricted Accounts:</u></b>					
<b><u>For the Year Ended July 31, 2023</u></b>					
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>
<b>TOTAL RESTRICTED CASH RESERVES AND ESCROWS</b>	<b><u>\$ 285,097</u></b>	<b><u>\$ 58,359</u></b>	<b><u>\$ 6,079</u></b>	<b><u>\$ (59,631)</u></b>	<b><u>\$ 289,904</u></b>
<b><u>For the Year Ended July 31, 2022</u></b>					
Operating reserve	\$ 67,945	\$ -	\$ 104	\$ -	\$ 68,049
Insurance escrow	3,046	5,230	5	(5,520)	2,761
Tax escrow	6,707	26,828	25	(27,146)	6,414
Replacement reserve	<u>180,572</u>	<u>27,000</u>	<u>301</u>	<u>-</u>	<u>207,873</u>
<b>TOTAL RESTRICTED CASH RESERVES AND ESCROWS</b>	<b><u>\$ 258,270</u></b>	<b><u>\$ 59,058</u></b>	<b><u>\$ 435</u></b>	<b><u>\$ (32,666)</u></b>	<b><u>\$ 285,097</u></b>

**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, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>Net income</b>	\$ 3,338	\$ 36,442
<u>Add:</u>		
Depreciation	24,855	23,580
<u>Deduct:</u>		
Interest income from reserve accounts	(6,079)	(435)
Required principal payments	(18,909)	(17,633)
Required payments to replacement reserves	(27,000)	(27,000)
 <b>Cash surplus (deficit)</b>	 \$ (23,795)	 \$ 14,954

**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, 2023 AND 2022**

<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

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JULY 31, 2023**

<b><u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u></b>	<b><u>ASSISTANCE LISTING NUMBER</u></b>	<b><u>PASS-THROUGH GRANTOR'S NAME</u></b>	<b><u>GRANTOR'S NUMBER</u></b>	<b><u>FEDERAL EXPENDITURE</u></b>
<b><u>U.S. Department of Agriculture</u></b>				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	State of NH, Department of Health & Human Services	214NH703W1003	\$ 1,308,419
Child and Adult Care Food Program	10.558	State of NH, Department of Education		843,295
<b><u>Food Distribution Cluster</u></b>				
Commodity Supplemental Food Program	10.565	Community Action Program Belknap-Merrimack Counties	202220Y800544	28,648
<b><u>Child Nutrition Cluster</u></b>				
Summer Food Service Program for Children	10.559	State of NH, Department of Education		<u>135,114</u>
Total U.S. Department of Agriculture				\$ <u>2,315,476</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Bureau of Homeless & Housing	E-21-DC-33-0001	\$ 130,864
<b><u>Section 8 Project-Based Cluster</u></b>				
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249			<u>464,891</u>
Total U.S. Department of Housing and Urban Development				\$ <u>595,755</u>
<b><u>U.S. Department of Labor</u></b>				
<b><u>WIOA Cluster</u></b>				
WIOA Adult Program	17.258	State of NH, Dept of Resources and Economic Development	02-6000618	\$ <u>2,831,584</u>
Total U.S. Department of Labor/WIOA Cluster				\$ <u>2,831,584</u>
<b><u>U.S. Department of Education</u></b>				
Adult Education - Basic Grants to States	84.002	State of NH, Department of Education	67011-ABE Manchester	\$ 52,865
Adult Education - Basic Grants to States	84.002	State of NH, Department of Education	67011-ABE Portsmouth	<u>33,449</u>
Total U.S. Department of Education				\$ <u>86,314</u>
<b><u>U.S. Department of Treasury</u></b>				
Emergency Rental Assistance Program	21.023	New Hampshire Housing Authority	ERA0012 AND ERA0435	\$ 19,781,952
Emergency Rental Assistance Program	21.023	New Hampshire Housing Authority	ERA0019	41,364,860
Emergency Rental Assistance Program	21.023	New Hampshire Housing Authority	ERA0019	1,327,999
Emergency Rental Assistance Program	21.023	New Hampshire Housing Authority	ERA0012 AND ERA0435	<u>84,903</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027	New Hampshire Housing Authority	ERA0019	<u>2,900,423</u>
Total U.S. Department of Treasury				\$ <u>65,460,137</u>

See Notes to Schedule of Expenditures of Federal Awards

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JULY 31, 2023**

<b><u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u></b>	<b><u>ASSISTANCE LISTING NUMBER</u></b>	<b><u>PASS-THROUGH GRANTOR'S NAME</u></b>	<b><u>GRANTOR'S NUMBER</u></b>	<b><u>FEDERAL EXPENDITURE</u></b>
<b><u>Corporation for National and Community Services</u></b>				
Retired and Senior Volunteer Program	94.002		20SRANH002	\$ 127,813
Total Corporation for National and Community Services				\$ 127,813
<b><u>U.S. Department of Energy</u></b>				
Weatherization Assistance for Low-Income Persons	81.042	State of NH, Office of Energy & Planning	DE-EE0007935	\$ 1,067,179
Total U.S. Department of Energy				\$ 1,067,179
<b><u>U.S. Department of Health &amp; Human Services</u></b>				
<b><u>Aging Cluster</u></b>				
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	18AANHT355	\$ 13,113
Temporary Assistance for Needy Families	93.558	State of NH, DHHS	22NHTANF	\$ 2,003,232
Temporary Assistance for Needy Families	93.558	State of NH, DHHS	23NHTANF	135,412
Low Income Home Energy Assistance (Fuel Assistance)	93.568	State of NH, Office of Energy & Planning	2101NHLIEA	13,433,743
ARPA-Low Income Home Energy Assistance (Fuel Assistance)	93.568	State of NH, Office of Energy & Planning	LIHEAP ARP22 & LIHEAP-US-DHHS	3,749,189
Low Income Home Energy Assistance (BWP)	93.568	State of NH, Office of Energy & Planning	2301NHLIEA	477,892
Community Services Block Grant	93.569	State of NH, DHHS	2201NHCOSR	1,430,570
CV- Community Services Block Grant	93.569	State of NH, DHHS	2201NHCSC3	959,710
Community Services Block Grant - Discretionary	93.570	State of NH, DHHS	2201NHCOSR	45,083
Low Income Household Water Assistance Program (LIWAP)	93.499	State of NH, Office of Energy & Planning	2201NHLWC5/6	247,834
<b><u>Head Start Cluster</u></b>				
Head Start/Early Head Start	93.600		01CH01060205	7,593,011
ARPA-Head Start/Early Head Start	93.600		01HE0004740101	498,553

See Notes to Schedule of Expenditures of Federal Awards



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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JULY 31, 2023**

<b><u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u></b>	<b><u>ASSISTANCE LISTING NUMBER</u></b>	<b><u>PASS-THROUGH GRANTOR'S NAME</u></b>	<b><u>GRANTOR'S NUMBER</u></b>	<b><u>FEDERAL EXPENDITURE</u></b>	
<b><u>U.S. Department of Health &amp; Human Services (continued)</u></b>					
<b><u>CCDF Cluster</u></b>					
Child Care and Development Block Grants	93.575	State of NH, DSSH	2201NHCCDF	1,508,543	
Child Care Mandatory Matching Funds	93.596	State of NH, DSSH	2201NHCCDF	<u>531,893</u>	2,040,436
Preschool Development Grant Birth through five	93.434	University of New Hampshire	90TP0060		<u>40,809</u>
Total U.S. Department of Health & Human Services				\$	<u>32,668,587</u>
<b>TOTAL</b>				\$	<u><b>105,152,845</b></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, 2023**

**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, 2023. 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, 2023.

**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, 2023 and 2022 and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 11, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

## Report on Compliance and Other Matters

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

### Purpose of This Report

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

*Leone McDonnell & Roberts  
Professional Association*

Dover, New Hampshire  
March 11, 2024



**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, 2023. 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, 2023.

***Basis for Opinion on Each Major Federal Program***

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

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



## ***Responsibilities of Management for Compliance***

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

## ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

## Report on Internal Control over Compliance

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

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

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

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

*Leone McDermott & Roberts  
Professional Association*

Dover, New Hampshire  
March 11, 2024

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JULY 31, 2023**

**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; Low-Income Home Energy Assistance Program, ALN 93.568; U.S. Department of Energy; Weatherization Assistance for Low-Income Persons, ALN 81.042 and U.S. Department of Treasury; Emergency Rental Assistance Program, ALN 21.023;
8. The threshold for distinguishing Type A and B programs was \$3,000,000.
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, 2023**

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, 2022.