

COMMUNITY ACTION PARTNERSHIP OF
STRAFFORD COUNTY AND AFFILIATE

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020
AND
INDEPENDENT AUDITORS' REPORTS**

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY AND AFFILIATE

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Action Partnership of Strafford County and Affiliate

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Community Action Partnership of Strafford County (a New Hampshire nonprofit organization) and Affiliate, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Community Action Partnership of Strafford County and Affiliate as of December 31, 2021 and 2020, 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 audit 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Action Partnership of Strafford County and Affiliate and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Action Partnership of Strafford County and Affiliate's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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, misrepresentations, 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 consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Community Action Partnership of Strafford County 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Action Partnership of Strafford County 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 consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2023, on our consideration of Community Action Partnership of Strafford County 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 Community Action Partnership of Strafford County 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 Community Action Partnership of Strafford County and Affiliate's internal control over financial reporting and compliance.

*Leon, McDonnell & Roberts
Professional Association*

Dover, New Hampshire
January 20, 2023

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY AND AFFILIATE

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,550,537	\$ 1,316,311
Accounts receivable	2,130,211	2,268,903
Contributions receivable	12,600	38,400
Inventory	511,532	226,233
Prepaid expenses	36,666	36,318
Other current assets	1,334	-
	<u>4,242,880</u>	<u>3,886,165</u>
NONCURRENT ASSETS		
Restricted cash	18,991	-
Security deposits	8,469	5,326
Property, net of accumulated depreciation	6,110,022	5,273,321
Other noncurrent assets	25,503	27,500
	<u>6,162,985</u>	<u>5,306,147</u>
	<u>\$ 10,405,865</u>	<u>\$ 9,192,312</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Demand note payable	\$ -	\$ 105,377
Current portion of long term debt	134,868	18,343
Accounts payable	921,039	1,497,685
Accrued payroll and related taxes	136,247	88,682
Accrued compensated absences	145,234	131,108
Deferred revenue	-	107,606
Refundable advances	950,865	473,291
Paycheck Protection Program	-	97,500
Other current liabilities	-	1,318
	<u>2,288,253</u>	<u>2,520,910</u>
NONCURRENT LIABILITIES		
Long term debt, less current portion shown above	3,221,845	2,775,919
Security deposits	3,201	-
	<u>3,225,046</u>	<u>2,775,919</u>
	<u>5,513,299</u>	<u>5,296,829</u>
NET ASSETS		
Without donor restrictions	4,533,937	3,593,917
With donor restrictions	358,629	301,566
	<u>4,892,566</u>	<u>3,895,483</u>
	<u>\$ 10,405,865</u>	<u>\$ 9,192,312</u>

See Notes to Financial Statements

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY AND AFFILIATE

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
CHANGE IN NET ASSETS			
REVENUES AND OTHER SUPPORT			
Grant revenue	\$ 19,989,740	\$ -	\$ 19,989,740
Fees for service	2,576,520	-	2,576,520
Rent revenue	51,351	-	51,351
Public support	352,142	358,629	710,771
In-kind donations	898,056	-	898,056
Interest	635	-	635
Fundraising	20,050	-	20,050
Other revenue	725,966	-	725,966
Loss on disposal of equipment	<u>(51,681)</u>	<u>-</u>	<u>(51,681)</u>
Total revenues and support	24,562,779	358,629	24,921,408
NET ASSETS RELEASED FROM RESTRICTIONS			
	<u>301,566</u>	<u>(301,566)</u>	<u>-</u>
Total revenues, support, and net assets released from restrictions	<u>24,864,345</u>	<u>57,063</u>	<u>24,921,408</u>
EXPENSES			
Program services			
Child services	5,251,539	-	5,251,539
Community services	2,036,906	-	2,036,906
Energy assistance	2,459,441	-	2,459,441
Housing	10,714,923	-	10,714,923
Weatherization	2,483,701	-	2,483,701
Workforce development	<u>3,793</u>	<u>-</u>	<u>3,793</u>
Total program services	22,950,303	-	22,950,303
Supporting activities			
Management and general	905,781	-	905,781
Fundraising	<u>68,241</u>	<u>-</u>	<u>68,241</u>
Total expenses	<u>23,924,325</u>	<u>-</u>	<u>23,924,325</u>
CHANGE IN NET ASSETS	940,020	57,063	997,083
NET ASSETS, BEGINNING OF YEAR	<u>3,593,917</u>	<u>301,566</u>	<u>3,895,483</u>
NET ASSETS, END OF YEAR	<u>\$ 4,533,937</u>	<u>\$ 358,629</u>	<u>\$ 4,892,566</u>

See Notes to Financial Statements

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
CHANGES IN UNRESTRICTED NET ASSETS			
REVENUES AND OTHER SUPPORT			
Grant revenue	\$ 11,412,231	\$ -	\$ 11,412,231
Fees for service	1,544,770	-	1,544,770
Rent revenue	15,255	-	15,255
Public support	451,985	255,657	707,642
In-kind donations	630,948	-	630,948
Interest	103	-	103
Fundraising	64,423	-	64,423
Gain on disposal of equipment	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total revenues and support	14,121,715	255,657	14,377,372
NET ASSETS RELEASED FROM RESTRICTIONS	<u>265,181</u>	<u>(265,181)</u>	<u>-</u>
Total revenues, support, and net assets released from restrictions	<u>14,386,896</u>	<u>(9,524)</u>	<u>14,377,372</u>
EXPENSES			
Program services			
Child services	4,470,403	-	4,470,403
Community services	2,258,463	-	2,258,463
Energy assistance	2,063,659	-	2,063,659
Housing	2,920,930	-	2,920,930
Weatherization	1,347,740	-	1,347,740
Workforce development	<u>92,113</u>	<u>-</u>	<u>92,113</u>
Total program services	13,153,308	-	13,153,308
Supporting activities			
Management and general	894,695	-	894,695
Fundraising	<u>75,349</u>	<u>-</u>	<u>75,349</u>
Total expenses	<u>14,123,352</u>	<u>-</u>	<u>14,123,352</u>
CHANGE IN NET ASSETS	263,544	(9,524)	254,020
NET ASSETS, BEGINNING OF YEAR	<u>3,330,373</u>	<u>311,090</u>	<u>3,641,463</u>
NET ASSETS, END OF YEAR	<u>\$ 3,593,917</u>	<u>\$ 301,566</u>	<u>\$ 3,895,483</u>

See Notes to Financial Statements

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY AND AFFILIATE

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Child Services</u>	<u>Community Services</u>	<u>Energy Assistance</u>	<u>Housing</u>	<u>Weatherization</u>	<u>Workforce Development</u>	<u>Total Program Services</u>	<u>Intermediate (Allocation) Pools</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll	\$ 2,611,252	\$ 768,110	\$ 282,483	\$ 463,574	\$ 123,279	\$ 2,317	\$ 4,251,015	\$ 89,319	\$ 577,712	\$ 14,794	\$ 4,932,840
Payroll taxes	230,588	66,376	24,924	40,252	8,988	228	371,356	7,893	46,473	1,406	427,128
Fringe benefits	190,915	38,183	17,619	31,419	15,094	269	293,499	3,398	55,482	1,224	353,603
Weatherization material, fuel and client assistance	63,377	140,408	2,052,544	9,909,048	2,218,930	-	14,384,307	-	-	-	14,384,307
In-kind expenses	573,046	324,950	-	60	-	-	898,056	-	-	-	898,056
Consultants and contract labor	239,299	52,738	4,627	19,672	860	79	317,275	16,516	164,175	15,574	513,540
Consumable supplies	213,448	229,104	430	7,742	23,112	-	473,836	23,939	9,941	922	508,638
Rent	612,028	175,280	31,758	87,818	17,134	884	924,902	(450,603)	42,136	1,729	518,164
Repairs and maintenance	48,939	4,881	12,782	48,073	945	-	115,620	296,872	12,260	2,476	427,228
Insurance	83,971	9,598	1,312	24,905	6,157	4	125,947	12,208	43,416	107	181,678
Meetings, events and training	80,601	9,164	394	762	10,774	-	101,695	1,404	13,052	20,573	136,724
Depreciation	79,670	18,502	391	23,390	4,328	-	126,281	-	70,500	-	196,781
Travel	19,408	1,677	-	989	1,689	-	23,763	(5,501)	587	30	18,879
Copying and postage	3,380	265	7,202	403	254	-	11,504	1,275	4,813	4,638	22,230
Retirement	13,216	3,001	1,223	3,377	332	12	21,161	274	(3,843)	104	17,696
Equipment and computer	27,793	95,608	7,677	39,490	46,908	-	217,476	4,223	(82,364)	550	139,885
Interest expense	76,249	8,070	13,621	8,314	4,917	-	111,171	6,377	18,489	899	136,936
Other program support	38,823	50,206	454	5,635	-	-	95,118	(7,594)	19,273	3,215	110,012
Indirect costs	45,536	40,785	-	-	-	-	86,321	-	(86,321)	-	-
Total expenses	\$ 5,251,539	\$ 2,036,906	\$ 2,459,441	\$ 10,714,923	\$ 2,483,701	\$ 3,793	\$ 22,950,303	\$ -	\$ 905,781	\$ 68,241	\$ 23,924,325

See Notes to Financial Statements

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Child Services</u>	<u>Community Services</u>	<u>Energy Assistance</u>	<u>Housing</u>	<u>Weatherization</u>	<u>Workforce Development</u>	<u>Total Program Services</u>	<u>Intermediate (Allocation) Pools</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll	\$ 2,297,109	\$ 540,856	\$ 227,785	\$ 229,407	\$ 120,813	\$ 47,695	\$ 3,463,665	\$ 102,841	\$ 561,412	\$ 28,548	\$ 4,156,466
Payroll taxes	184,239	44,388	17,229	18,357	8,211	3,599	276,023	7,997	26,065	2,153	312,238
Fringe benefits	226,396	14,882	32,476	11,346	15,430	6,999	307,529	5,789	25,605	1,890	340,813
Weatherization material, fuel and client assistance	41,758	84,176	1,651,570	2,502,856	1,143,419	4,266	5,428,045	-	-	-	5,428,045
In-kind expenses	200,585	430,363	-	-	-	-	630,948	-	-	-	630,948
Consultants and contract labor	252,203	119,717	10,453	32,780	4,516	515	420,184	22,527	82,335	4,410	529,456
Consumable supplies	226,999	745,567	1,208	2,043	6,439	89	982,345	192,667	23,971	3,551	1,202,534
Rent	465,693	85,822	58,320	31,382	8,404	20,860	670,481	(526,032)	30,688	2,394	177,531
Repairs and maintenance	72,495	47,814	13,378	11,090	6,409	752	151,938	214,923	10,523	8,880	386,264
Utilities	120,444	12,453	12,220	23,703	2,569	3,250	174,639	(24,910)	21,270	760	171,759
Insurance	78,188	6,499	1,234	28,753	3,677	854	119,205	13,988	7,688	158	141,039
Meetings, events and training	60,027	21,508	204	180	8,638	-	90,557	215	7,122	1,276	99,170
Depreciation	74,321	26,863	391	4,621	4,328	2,320	112,844	-	69,956	-	182,800
Travel	35,896	6,534	202	477	3,722	500	47,331	(18,292)	1,145	158	30,342
Copying and postage	31,050	592	6,612	262	260	217	38,993	-	4,334	5,201	48,528
Retirement	11,943	3,321	1,015	1,271	314	177	18,041	257	4,764	113	23,175
Equipment and computer	10,001	41,181	11,161	20,307	1,664	20	84,334	2,350	2,276	70	89,030
Interest expense	79,974	5,128	17,816	2,005	8,849	-	113,772	2,168	15,343	1,056	132,339
Other program support	1,082	20,799	385	90	78	-	22,434	3,512	198	14,731	40,875
Total expenses	\$ 4,470,403	\$ 2,258,463	\$ 2,063,659	\$ 2,920,930	\$ 1,347,740	\$ 92,113	\$ 13,153,308	\$ -	\$ 894,695	\$ 75,349	\$ 14,123,352

See Notes to Financial Statements

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY AND AFFILIATE

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 997,083	\$ 254,020
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Contribution of building improvements	(170,288)	-
Depreciation	196,781	182,800
Gain (loss) on disposal of equipment	51,681	(2,000)
Forgiveness of debt - Paycheck Protection Program	(97,500)	-
(Increase) decrease in assets:		
Accounts receivable	138,692	(743,128)
Contributions receivable	25,800	29,700
Inventory	(285,299)	(206,723)
Prepaid expenses	(348)	(23,748)
Other current assets	(1,334)	-
Security deposits	(3,143)	24
Other noncurrent assets	1,997	-
Increase (decrease) in liabilities:		
Accounts payable	(576,646)	1,042,409
Accrued payroll and related taxes	47,565	(104,748)
Accrued compensated absences	14,126	46,836
Deferred revenue	(107,606)	107,606
Refundable advances	477,574	(17,734)
Other current liabilities	(1,318)	(3,637)
Security deposits	3,201	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>711,018</u>	<u>561,677</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(323,975)	(640,971)
Proceeds on sale of equipment	-	2,000
Acquisition of property from Dover Daycare Learning Center	(590,900)	-
NET CASH USED IN INVESTING ACTIVITIES	<u>(914,875)</u>	<u>(638,971)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings of long-term debt	326,463	485,181
Payments made on long-term debt	(48,188)	(257,765)
Net repayments on demand note payable	(105,377)	(55)
Assumption of debt of Dover Daycare Learning Center	284,176	-
Proceeds from Paycheck Protection Program	-	97,500
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>457,074</u>	<u>324,861</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	253,217	247,567
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,316,311</u>	<u>1,068,744</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,569,528</u>	<u>\$ 1,316,311</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 133,966</u>	<u>\$ 130,185</u>

See Notes to Financial Statements

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
AND AFFILIATE**

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Principles of Consolidation

Community Action Partnership of Strafford County (the Agency) is a 501(c)(3) private New Hampshire non-profit organization established under the provisions of the Equal Opportunity Act of 1964. Without services provided by the Agency, many local residents would be without a means to provide for their basic needs, including food, education, child care, utilities assistance, transportation, housing, emergency shelter and access to other services. The mission of the Agency is to educate, advocate and assist people in Strafford County to help meet their basic needs and promote self-sufficiency. The vision of the Agency is to eliminate poverty in Strafford County through compassion, education, self-sufficiency, transparency, accountability, team work, client focus and professionalism.

Academy Street Family Housing, LLC (Academy Street) is a limited liability company which is consolidated because the Agency controls 100% of the voting power of Academy Street. Academy Street leases property from the Agency under a lease agreement for an annual rent amount of \$1. The lease commenced on April 21, 2020 and expires April 2045. Unless either party serves the other with a 180 day written notice prior to the expiration of the initial term, at the end of the initial term, the lease shall be automatically extended for an additional 25 year term. All significant intercompany items and transactions have been eliminated from the basic financial statements.

In addition to the Agency's administrative office located in Dover, the Agency maintains its outreach capacity by operating program offices in Farmington, Milton, Rochester, Dover and Somersworth. The Agency is funded by Federal, state, county and local funds, as well as United Way grants, public utilities, foundation and charitable grant funds, fees for service, private business donations, and donations from individuals. The Agency is governed by a tripartite board of directors made up of elected officials, community leaders from for-profit and non-profit organizations and residents who are low income. The board is responsible for assuring that the Agency continues to assess and respond to the causes and conditions of poverty in its community, achieve anticipated family and community outcomes, and remain administratively and fiscally sound. The Agency administers a wide range of coordinated programs to more than 15,000 people annually, and the programs are designed to have a measurable impact on poverty and health status among the most vulnerable residents: those under the age of 6, the elderly and those living in poverty. This coordinated approach is accomplished by providing a broad array of services that are locally defined, planned and managed with community agencies.

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
AND AFFILIATE**

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

Basis of Accounting

The consolidated financial statements have been prepared using the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) of the United States

Financial Statement Presentation

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

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 Agency. These net assets may be used at the discretion of the Agency's management and 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 met by actions of the Agency 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 increases in net assets with donor restrictions. When restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

At December 31, 2021 and 2020, the Agency had net assets without donor and with donor restrictions.

Refundable Advances

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services are performed or expenditures are incurred.

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
AND AFFILIATE**

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support, depending on the nature of the restriction. However, if a restriction is fulfilled in the same period in which the contribution is received, the Agency reports the support as unrestricted.

Contributed Services

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

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

Fair Value of Financial Instruments

Unless otherwise indicated, fair values of all reported assets and liabilities that are financial instruments approximate the carrying values of such amounts.

Inventory

Inventory materials are fixtures for installation and recorded at cost or contributed value, using the first-in, first-out method.

Property and Depreciation

Property and equipment, which have a cost greater than \$5,000, are capitalized at cost or, if donated, at the approximate fair value at the date of donation. Specific grants and awards may have a threshold lower than this amount and that program will abide by those guidelines. Assets are depreciated over their estimated useful lives using the straight-line method as follows:

Buildings and improvements	15 - 40 years
Furniture, equipment and machinery	3 - 10 years
Vehicles	5 - 7 years

Depreciation expense aggregated \$174,278 and \$182,800 for the years ended December 31, 2021 and 2020, respectively.

Accrued Earned Time

The Agency has accrued a liability of \$145,234 and \$131,108 at December 31, 2021 and 2020, respectively, for future compensated leave time that its employees have earned and which is vested with the employee.

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
AND AFFILIATE**

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

Income Taxes

The Agency is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined the Agency to be other than a private foundation. The Agency is also exempt from the New Hampshire Business Enterprise Tax.

Accounting Standard Codification No. 740, "Accounting for Income Taxes", establishes the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. Management has analyzed the Agency's tax position taken on its information returns for the previous three tax years and has concluded that no additional provision for income taxes is necessary in the Agency's financial statements.

Cash and Cash Equivalents

The Agency considers all highly liquid financial instruments with original maturities of three months or less to be cash equivalents.

Revenue Recognition Policy

The Agency derives revenue from grants, fees for services, donations, public support and fundraising. Revenues are recognized when control of these services are transferred to customers, in an amount that reflects the consideration the Agency expects to be entitled to in exchange for those services. Cost incurred to obtain a contract will be expensed as incurred when the amortization period is less than a year. Academy Street derives revenue from the rental of apartment units. Revenues are recognized as income, monthly, when rents become due and control of the apartment units is transferred to the lessees. Control of the leased units is transferred to the lessee in an exchange for the leased units. The cost incurred to obtain a lease will be expensed as incurred.

Use of Estimates

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

Advertising Expenses

The Agency expenses advertising costs as they are incurred. Total advertising costs for the years ended December 31, 2021 and 2020 amounted to \$32,082 and \$27,725, respectively.

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
AND AFFILIATE**

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

Debt Issuance Costs

As required under FASB Accounting Standards Update No. 2015-03, amortization expense for the years ended December 31, 2021 and 2020 amounted to \$2,156 and has been included with interest expense in the consolidated statement of activities for each year. The unamortized deferred financing costs have been included as a reduction of the long term debt (see **Note 9**).

In-kind Donations

The Agency pays below-market rent for the use of certain facilities. In accordance with generally accepted accounting principles, the difference between amounts paid for the use of the facilities and the fair value of the rental space has been recorded as an in-kind donation and as an in-kind expense in the accompanying financial statements. The estimated fair value of the donation was determined to be \$185,979 and \$179,636 for the years ended December 31, 2021 and 2020, respectively.

The Agency also receives contributed professional services that are required to be recorded in accordance with FASB ASC No. 958. The estimated fair value of these services was determined to be \$113,778 and \$17,812 for the years ended December 31, 2021 and 2020, respectively.

The Agency also receives contributed food commodities and other goods that are required to be recorded in accordance with FASB ASC No. 958. The estimated fair value of these food commodities and goods was determined to be \$594,404 and \$3,895, respectively, for the year ended December 31, 2021. For the year ended December 31, 2020, the estimated fair value of these food commodities and goods was determined to be \$415,835 and \$17,665, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, costs have been allocated among the program services and supporting activities benefited. Occupancy costs have been grouped and allocated to the programs as a line item. Such allocations have been determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of allocation</u>
Salaries and benefits	Time and effort
Occupancy	Square footage/revenues
Depreciation	Square footage
All other expenses	Approved indirect rate

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
AND AFFILIATE**

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 2. PROPERTY

As of December 31, 2021 and 2020, property consisted of the following:

	<u>2021</u>	<u>2020</u>
Land, buildings and improvements	\$ 6,324,193	\$ 5,499,660
Furniture, equipment and machinery	340,883	646,283
Vehicles	<u>350,136</u>	<u>350,136</u>
Total	7,015,212	6,496,079
Less accumulated depreciation	<u>905,190</u>	<u>1,222,758</u>
Net property	<u>\$ 6,110,022</u>	<u>\$ 5,273,321</u>

NOTE 3. RESTRICTED CASH BALANCES

Certain cash accounts have been established and are being funded in accordance with a regulatory agreement entered into between Academy Street and New Hampshire Housing as discussed below. All reserves are required to be held in qualified New Hampshire financial institutions that are insured by the FDIC.

Operating Reserve

Under the regulatory agreement, Academy Street is required to establish an operating reserve. The operating reserve was established and funded during the year ended December 31, 2021.

Replacement Reserve

Under the regulatory agreement, Academy Street is required to set aside amounts for the replacement of property and other expenditures approved by New Hampshire Housing. Additionally, Academy Street is required to make monthly payments to the reserve. The reserve was properly funded during 2021.

Insurance and Real Estate Tax Escrows

Academy Street is required to establish a reserve to fund tax and insurance payments in the project. Amounts are to be deposited on a monthly basis to accrue a sufficient balance to pay future tax and insurance bills of the project. As of December 31, 2021, the balance in the reserves for tax and insurance escrows was properly funded.

Residual Receipts Reserve

The regulatory agreement with New Hampshire Housing requires Academy Street to establish and maintain a residual receipts reserve to be funded with excess deposits after all other project accounts have been fully funded. As of December 31, 2021 and 2020, Academy Street had not established this reserve account.

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
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**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 4. LIQUIDITY AND AVAILABILITY

The following represents the Agency's financial assets as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,550,537	\$ 1,316,311
Accounts receivable	2,130,211	2,268,903
Contributions receivable	12,600	38,400
Restricted cash	<u>18,991</u>	<u>-</u>
Total financial assets	3,712,339	3,623,614
Less amounts not available to be used within one year:		
Restricted cash	18,991	-
Board designated funds	<u>307,315</u>	<u>307,315</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,386,033</u>	<u>\$ 3,316,299</u>

The Agency's goal is generally to maintain financial assets to meet 30 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts.

NOTE 5. ACCOUNTS RECEIVABLE

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for uncollectible accounts was estimated to be zero at December 31, 2021 and 2020. The Agency has no policy for charging interest on overdue accounts.

NOTE 6. CONTRIBUTIONS RECEIVABLE

Contributions receivable represent promises to give, which have been made by donors but have not yet been received by the Agency. The Agency considers contributions receivable to be fully collectible; accordingly, no allowance for contributions receivable has been recorded.

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
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**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

Total unconditional promises to give were as follows at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Within one year	\$ 8,500	\$ 34,307
In two to five years	<u>4,100</u>	<u>4,093</u>
	<u>\$ 12,600</u>	<u>\$ 38,400</u>

NOTE 7. PLEDGED ASSETS

As described in Note 8, all assets of the Agency are pledged as collateral under the Agency's demand note payable agreement. As described in Note 9, the building of the Agency is pledged as collateral under the Agency's mortgage note payable agreement.

NOTE 8. DEMAND NOTE PAYABLE

The Agency has available a revolving line of credit with a bank in the amount of \$250,000. The note is payable upon demand. Interest is stated at the prime rate plus 1% which resulted in an interest rate of 4.25% at December 31, 2021 and 2020. The note is collateralized by all the assets of the Agency.

NOTE 9. LONG TERM DEBT

The long term debt at December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
4.90% mortgage payable to Kennebunk Savings Bank with interest only payments for 36 months followed by principal and interest payments for 264 months for the first ten years. In 2028 principal and interest payments will adjust to 1.50% above the highest five-year Federal Home Loan Bank of Boston interest rate. The mortgage note payable is secured by real estate.	\$ 1,909,874	\$ 1,929,978
5.00% notes payable to the New Hampshire Community Loan Fund with monthly principal and interest payments of \$4,762, maturing August 2024 through October 2043. The notes are secured by real estate.	668,143	427,975

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
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**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
5.75% note payable to First Seacoast Bank with monthly principal and interest payments of \$493, maturing October 2023. The note is secured by real estate.	31,261	-
Non-interest bearing note payable to New Hampshire Housing deferred until April 21, 2060 or until the project is sold, refinanced or surplus cash is available. The note is secured by real estate.	785,889	485,181
Non-interest bearing note payable to New Hampshire Housing deferred until July 1, 2051 or until the project is sold, refinanced or surplus cash is available. The note is secured by real estate.	<u>25,755</u>	<u>-</u>
Total long term debt before current portion of long term debt and unamortized debt issuance costs	3,420,922	2,843,134
Current portion of long term debt	(134,868)	(18,343)
Unamortized debt issuance costs	<u>(64,209)</u>	<u>(48,872)</u>
Total long term debt	<u>\$ 3,221,845</u>	<u>\$ 2,775,919</u>

The schedule of maturities of long term debt at December 31, 2021 is as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2022	\$ 134,868
2023	93,508
2024	322,041
2025	96,072
2026	100,909
Thereafter	<u>2,673,524</u>
Total	<u>\$ 3,420,922</u>

Subsequent to year end, the mortgage payable listed above was refinanced. The interest rate will be fixed at 4.25% for ten years and will adjust on April 26, 2032, and on that date every year thereafter to 1.50% above the highest U.S. Prime Rate as published in the Wall Street Journal on the applicable change date, with a floor rate of 4%.

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
AND AFFILIATE**

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 10. NET ASSETS

At December 31, 2021 and 2020, net assets with donor restrictions consisted of the following:

	<u>2021</u>	<u>2020</u>
Summer meals	\$ -	\$ 44,438
Building campaign	59,447	44,712
Whole family	67,355	25,846
COVID related	124,546	111,100
Homeless outreach	8,317	5,091
Fuel assistance	80,164	55,902
Weatherization	<u>18,800</u>	<u>14,477</u>
Total	<u>\$ 358,629</u>	<u>\$ 301,566</u>

At December 31, 2021 and 2020, net assets without donor restrictions consisted of the following:

	<u>2021</u>	<u>2020</u>
Undesignated	\$ 4,098,101	\$ 3,286,602
Board designated	<u>307,315</u>	<u>307,315</u>
Total net assets without donor restrictions	<u>\$ 4,405,416</u>	<u>\$ 3,593,917</u>

NOTE 11. LEASE COMMITMENTS

Facilities occupied by the Agency for its community service programs are rented under the terms of various leases. For the years ended December 31, 2021 and 2020, the annual lease/rent expense for the leased facilities was \$250,736 and \$143,308, respectively. Certain equipment is leased by the Agency under the terms of various leases.

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

<u>Year Ended December 31</u>	<u>Amount</u>
2022	\$ 35,526
2023	1
2024	1
2025	1
2026	1
Thereafter	<u>9</u>
Total	<u>\$ 35,539</u>

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
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**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 12. RETIREMENT PLAN

The Agency maintains a 403(b) Plan and Trust (the Plan) covering substantially all employees. Employee contributions to the Plan are made at predetermined rates elected by employees. Additionally, the Agency provides a matching contribution equal to 25% of the employee's contribution up to 5% of the employee's compensation. Effective April 1, 2016, the Agency instituted an auto enrollment feature mandating a minimum 1% employee contribution; however, employees reserve the right to decline the auto enrollment. Employer matching contributions for the years ended December 31, 2021 and 2020 totaled \$17,702 and \$23,170, respectively.

NOTE 13. CONCENTRATION OF RISK

The Agency receives a majority of its support from federal and state governments. For the years ended December 31, 2021 and 2020, approximately 91% and 90%, respectively, of the Agency's total revenue was received from federal and state governments. If a significant reduction in the level of support were to occur, it would have a significant effect on the Agency's programs and activities.

NOTE 14. CONCENTRATION OF CREDIT RISK

The Agency maintains its cash balances at several financial institutions in New Hampshire. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Agency maintains an agreement with its primary financial institution to collateralize the balances in excess of \$250,000.

NOTE 15. CONTINGENCIES

The Agency receives grant funding from various sources. Under the terms of these agreements, the Agency is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If expenditures were found not to have been made in compliance with the laws and regulations, the Agency might be required to repay the funds. No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed as of December 31, 2021 and 2020.

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
AND AFFILIATE**

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 16. RENTAL INCOME RECEIVABLE

During the year ended December 31, 2021, Academy Street entered into four separate rental agreements for use of their four apartments. The rental agreements expired during April 2022. Monthly payments for the agreements ranged from \$1,168 to \$1,394 and were due the first day of each month.

The approximate future rental payments owed on the above leases are as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2022	\$ <u>21,400</u>
Total	\$ <u>21,400</u>

NOTE 17. PAYCHECK PROTECTION PROGRAM

During the year ended December 31, 2020, the Agency received funds under the Payroll Protection Program (PPP). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES ACT). The PPP provided loans for qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower used the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintained its payroll levels. The amount of the loan forgiveness may be reduced if the borrower terminates employees or reduces salaries during the twenty-four-week period. During the year ended December 31, 2021, the Agency applied for and received full forgiveness and therefore, recognized \$97,500 as grant revenue in the accompanying consolidated statement of activities for the year ended December 31, 2021.

NOTE 18. OTHER MATTERS

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

During the years ended December 31, 2021 and 2020, and through the date of this report, the Agency has not experienced a significant decline in revenues, nor a significant change in its operations.

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
AND AFFILIATE**

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 19. ACQUISITION OF DOVER DAYCARE LEARNING CENTER

During the year ended December 31, 2021, the Agency acquired all of the assets and liabilities of Dover Daycare Learning Center (the Center). Total assets and liabilities acquired were approximately \$591,000 and \$284,000, respectively. The Agency received \$391,856 in revenue as a result of the acquisition, which is included in other revenue in the accompanying consolidated statement of activities for the year ended December 31, 2021. The Agency has been running the operations of the Center since the acquisition.

NOTE 20. BUILDING IMPROVEMENT CONTRIBUTION

During the year ended December 31, 2021, Academy Street received a contribution in the form of building improvements to the property from a weatherization program managed by the Agency. The improvements totaled \$170,288 and are recorded as property and other revenue in the December 31, 2021 financial statements.

NOTE 21. RECLASSIFICATIONS

Certain reclassifications have been made to the prior year's financial statements, which was taken from the December 31, 2020 financial statements, to conform to the current year presentation.

NOTE 22. SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date but arose after that date. Management has evaluated subsequent events through January 20, 2023, the date the consolidated financial statements were available for issuance.

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY AND AFFILIATE

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021**

	<u>CAPSC</u>	<u>Academy Street Family Housing, LLC</u>	<u>Total</u>	<u>Consolidating Adjustments</u>	<u>Consolidated</u>
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,509,331	41,206	\$ 1,550,537	\$ -	\$ 1,550,537
Accounts receivable	2,128,481	1,730	2,130,211	-	2,130,211
Contributions receivable	12,600	-	12,600	-	12,600
Inventory	511,532	-	511,532	-	511,532
Prepaid expenses	36,666	-	36,666	-	36,666
Other current assets	1,334	-	1,334	-	1,334
Total current assets	<u>4,199,944</u>	<u>42,936</u>	<u>4,242,880</u>	<u>-</u>	<u>4,242,880</u>
NONCURRENT ASSETS					
Restricted cash	-	18,991	18,991	-	18,991
Security deposits	5,268	3,201	8,469	-	8,469
Property, net of accumulated depreciation	5,204,277	905,745	6,110,022	-	6,110,022
Other noncurrent assets	25,503	-	25,503	-	25,503
Total noncurrent assets	<u>5,235,048</u>	<u>927,937</u>	<u>6,162,985</u>	<u>-</u>	<u>6,162,985</u>
TOTAL ASSETS	<u>\$ 9,434,992</u>	<u>\$ 970,873</u>	<u>\$ 10,405,865</u>	<u>\$ -</u>	<u>\$ 10,405,865</u>
<u>LIABILITIES AND NET ASSETS</u>					
CURRENT LIABILITIES					
Current portion of long term debt	\$ 120,282	\$ 14,586	\$ 134,868	\$ -	\$ 134,868
Accounts payable	921,039	-	921,039	-	921,039
Accrued payroll and related taxes	136,247	-	136,247	-	136,247
Accrued compensated absences	145,234	-	145,234	-	145,234
Refundable advances	950,865	-	950,865	-	950,865
Total current liabilities	<u>2,273,667</u>	<u>14,586</u>	<u>2,288,253</u>	<u>-</u>	<u>2,288,253</u>
NONCURRENT LIABILITIES					
Long term debt, less current portion shown above	2,442,280	779,565	3,221,845	-	3,221,845
Security deposits	-	3,201	3,201	-	3,201
Total noncurrent liabilities	<u>2,442,280</u>	<u>782,766</u>	<u>3,225,046</u>	<u>-</u>	<u>3,225,046</u>
Total liabilities	<u>4,715,947</u>	<u>797,352</u>	<u>5,513,299</u>	<u>-</u>	<u>5,513,299</u>
NET ASSETS					
Without donor restrictions	4,360,416	173,521	4,533,937	-	4,533,937
With donor restrictions	358,629	-	358,629	-	358,629
Total net assets	<u>4,719,045</u>	<u>173,521</u>	<u>4,892,566</u>	<u>-</u>	<u>4,892,566</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,434,992</u>	<u>\$ 970,873</u>	<u>\$ 10,405,865</u>	<u>\$ -</u>	<u>\$ 10,405,865</u>

See Notes to Financial Statements

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY AND AFFILIATE

**CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>CAPSC</u>	<u>Academy Street Family Housing, LLC</u>	<u>Consolidated</u>
CHANGE IN NET ASSETS			
REVENUES AND OTHER SUPPORT			
Grant revenue	\$ 19,989,740	\$ -	\$ 19,989,740
Fees for service	2,576,520	-	2,576,520
Rent revenue	9,118	42,233	51,351
Public support	710,771	-	710,771
In-kind donations	898,056	-	898,056
Interest	609	26	635
Fundraising	20,050	-	20,050
Other revenue	550,978	174,988	725,966
Loss on disposal of equipment	(51,681)	-	(51,681)
	<u>24,704,161</u>	<u>217,247</u>	<u>24,921,408</u>
Total revenues and support			
EXPENSES			
Program services			
Child services	5,251,539	-	5,251,539
Community services	2,036,906	-	2,036,906
Energy assistance	2,459,441	-	2,459,441
Housing	10,680,968	33,955	10,714,923
Weatherization	2,483,701	-	2,483,701
Workforce development	3,793	-	3,793
	<u>22,916,348</u>	<u>33,955</u>	<u>22,950,303</u>
Total program services			
Supporting activities			
Management and general	899,138	6,643	905,781
Fundraising	68,241	-	68,241
	<u>23,883,727</u>	<u>40,598</u>	<u>23,924,325</u>
Total expenses			
CHANGE IN NET ASSETS	820,434	176,649	997,083
NET ASSETS, BEGINNING OF YEAR	<u>3,898,611</u>	<u>(3,128)</u>	<u>3,895,483</u>
NET ASSETS, END OF YEAR	<u>\$ 4,719,045</u>	<u>\$ 173,521</u>	<u>\$ 4,892,566</u>

See Notes to Financial Statements

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND NON-FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NAME</u>	<u>GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. Department of Agriculture</u>				
Child and Adult Care Food Program	10.558	State of New Hampshire Department of Education	4300-ZZZ	\$ 76,320
Child Nutrition Cluster				
Summer Food Service Program for Children	10.559	State of New Hampshire Department of Education	4300-ZZZ	\$ 281,458
National School Lunch Program	10.555	State of New Hampshire Department of Education	At-Risk After School Care Centers	<u>21,153</u>
				302,611
Food Distribution Cluster				
Emergency Food Assistance Program (Food Commodities)	10.569	Belknap-Merrimack Community Action Partnership	None	<u>594,404</u>
Total U.S. Department of Agriculture				<u>\$ 973,335</u>
<u>U.S. Department of Housing and Urban Development</u>				
Supportive Housing for the Elderly	14.157	Dover Housing Authority	Dover Housing Authority	\$ 30,454
Community Development Block Grants / Entitlement Grants	14.228	Strafford County, NH CDFA	20-409-CDPS-CV	214,109
CDBG Entitlement Grants Cluster				
Community Development Block Grants / Entitlement Grants	14.218	City of Dover, New Hampshire	City of Dover	41,587
Community Development Block Grants / Entitlement Grants	14.218	City of Rochester, New Hampshire	City of Rochester	<u>9,670</u>
				51,257
Emergency Solutions Grant Program	14.231	State of New Hampshire Department of Health and Human Services	05-95-42-423010-7927-102-500731	81,334
CV-Emergency Solutions Grant Program	14.231	State of New Hampshire Department of Health and Human Services	05-95-42-423010-7927	<u>123,581</u>
				204,915
Continuum of Care	14.267	State of New Hampshire Department of Health and Human Services		78,879
Continuum of Care	14.267	State of New Hampshire Department of Health and Human Services		<u>38,342</u>
				117,221
Supportive Housing Program	14.235	State of New Hampshire Department of Health and Human Services	010-092-7176-102-0415	43,737
Total U.S. Department of Housing and Urban Development				<u>\$ 661,693</u>
<u>U.S. Department of Labor</u>				
WIOA Cluster				
WIOA Adult Program	17.258	Southern New Hampshire Services, Inc.	2016-0003	\$ 3,256
WIOA Dislocated Worker Formula Grants	17.278	Southern New Hampshire Services, Inc.	2016-0003	<u>80</u>
Total U.S. Department of Labor/WIOA Cluster				<u>\$ 3,336</u>
<u>U.S. Department of Energy</u>				
Weatherization Assistance for Low-Income Persons	81.042	State of New Hampshire Governor's Office of Energy & Community Services	01-02-02-024010-7706-074-500587	<u>\$ 161,472</u>
Total U.S. Department of Energy				<u>\$ 161,472</u>
<u>U.S. Department of the Treasury</u>				
Coronavirus Relief Fund	21.019	Governor's Office of Emergency Relief & Recovery	Housing Stabilization Fund	\$ 20,076
Emergency Rental Assistance Program	21.023	Governor's Office of Emergency Relief & Recovery		<u>9,937,469</u>
Total U.S. Department of the Treasury				<u>\$ 9,957,545</u>

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND NON-FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NAME</u>	<u>GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. Department of Health & Human Services</u>				
Maternal, Infant, Early Childhood Homevisiting Program	93.870	State of New Hampshire Department of Health and Human Services, DPH, BPHCS, Maternal & Health Section	05-95-90-902010-5896	290,167
Promoting Safe and Stable Families	93.556	State of New Hampshire, DHHS, Division for Children, Youth and Families	05-095-042-421010-29730000-102-500734-42107306	36,842
Temporary Assistance for Needy Families	93.558	State of New Hampshire, DHHS, Division for Children, Youth and Families	05-095-045-450010-61460000-502-500891-42106603	64,988
Low-Income Home Energy Assistance	93.568	State of New Hampshire Governor's Office of Energy & Planning	01-02-02-024010-77050000-074-500587	2,292,407
Low-Income Home Energy Assistance	93.568	State of New Hampshire Governor's Office of Energy & Planning	01-02-02-024010-77050000-074-500587	<u>230,110</u>
Community Services Block Grant	93.569	State of New Hampshire, DHHS, DFA	010-045-7148-093-0415	438,097
CV-Community Services Block Grant	93.569	State of New Hampshire, DHHS, DFA	G-19B1NHCOSR	<u>308,294</u>
Head Start Cluster				
Head Start	93.600	Direct Funding	01CH01149601 & 602, 01HP00025002	3,296,126
CV-Head Start	93.600	Direct Funding	01CH01149601C3, 01HE00051501C6	<u>189,912</u>
Maternal and Child Health Services Block Grant to States	93.994	State of New Hampshire, DHHS, Division for Children, Youth and Families	05-095-090-51900000-102-500731-90004009	9,826
Stephanie Tubbs Jones Child Welfare Program	93.645	State of New Hampshire, DHHS, Division for Children, Youth and Families	05-095-042-421010-29680000-102-500734-42106802	1,458
Social Services Block Grant	93.667	State of New Hampshire, DHHS, Division for Children, Youth and Families	05-095-042-421010-29660000-102-500734-42106603	<u>138,194</u>
Total U.S. Department of Health & Human Services				\$ <u>7,296,421</u>
TOTAL				\$ <u>19,053,802</u>
NON-FEDERAL				
Home Energy Assistance Program		Public Utilities Company		\$ 1,707,441
Electrical Assistance Program		Public Utilities Company		\$ 183,160

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Community Action Partnership of Strafford County under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Community Action Partnership of Strafford County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

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

Community Action Partnership of Strafford County has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. FOOD DONATION

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

NOTE 5. SUBRECIPIENTS

Community Action Partnership of Strafford County had no subrecipients for the year ended December 31, 2021.

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

**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
Community Action Partnership of Strafford County
Dover, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Action Partnership of Strafford County (a New Hampshire nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows, and the related notes to the financial statements, and have issued our report thereon dated January 20, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

*Leon, McDonnell & Roberts
Professional Association*

Dover, New Hampshire
January 20, 2023

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

**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
Community Action Partnership of Strafford County
Dover, New Hampshire

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Community Action Partnership of Strafford County'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 Community Action Partnership of Strafford County's major federal programs for the year ended December 31, 2021. Community Action Partnership of Strafford County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community Action Partnership of Strafford County 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 December 31, 2021.

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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Community Action Partnership of Strafford County 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 Community Action Partnership of Strafford County'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 Community Action Partnership of Strafford County's federal programs.

Auditor's 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 Community Action Partnership of Strafford County'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 Community Action Partnership of Strafford County'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 Community Action Partnership of Strafford County'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 Community Action Partnership of Strafford County'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 Community Action Partnership of Strafford County'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 Auditor's 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.

*Leon, McDannell & Roberts
Professional Association*

Dover, New Hampshire
January 20, 2023

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Community Action Partnership of Strafford County were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the 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 financial statements of Community Action Partnership of Strafford County, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for Community Action Partnership of Strafford County expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The programs tested as major were: U.S. Department of Health and Human Services, Head Start, ALN 93.600, Maternal, Infant & Early Childhood Home Visiting Grant Program, ALN 93.870 and U.S. Department of the Treasury, Emergency Rental Assistance Program, ALN 21.023, New Hampshire Public Utilities Company, Electrical Assistance Program (NON-FEDERAL).
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Community Action Partnership of Strafford County was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None