

*Financial Statements*

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**COMMUNITY ACTION PROGRAM  
BELKNAP - MERRIMACK COUNTIES, INC.**

**FOR THE YEARS ENDED FEBRUARY 28, 2025 AND  
FEBRUARY 29, 2024 AND  
INDEPENDENT AUDITORS' REPORT AND  
REPORTS ON COMPLIANCE AND INTERNAL CONTROL**

*Leone,  
McDonnell  
& Roberts*  
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

**COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Community Action Program of Belknap-Merrimack Counties, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Community Action Program of Belknap-Merrimack Counties, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of February 28, 2025 and February 29, 2024, 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 Program of Belknap-Merrimack Counties, Inc. as of February 28, 2025 and February 29, 2024, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Action Program of Belknap-Merrimack Counties, Inc. 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 Program of Belknap-Merrimack Counties, Inc.'s ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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, 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 Program of Belknap-Merrimack Counties, Inc.'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 Program of Belknap-Merrimack Counties, Inc.'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 November 7, 2025, on our consideration of Community Action Program of Belknap-Merrimack Counties, Inc.'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 Program of Belknap-Merrimack Counties, Inc.'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 Program of Belknap-Merrimack Counties, Inc.'s internal control over financial reporting and compliance.

*Leone McDonnell & Roberts  
Professional Association*

Dover, New Hampshire  
November 7, 2025

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

	<b><u>ASSETS</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
<b>CURRENT ASSETS</b>			
Cash	\$ 721,040	\$ 786,672	
Accounts receivable	2,714,601	3,691,075	
Inventory	369,062	90,873	
Prepaid expenses	91,844	93,547	
Investments	172,654	151,171	
 Total current assets	 4,069,201	 4,813,338	
<b>PROPERTY</b>			
Land, buildings and improvements	7,839,427	7,717,223	
Equipment, furniture and vehicles	4,612,817	4,623,986	
 Total property	 12,452,244	 12,341,209	
Less accumulated depreciation	6,595,273	6,053,895	
 Property, net	 5,856,971	 6,287,314	
<b>OTHER ASSETS</b>			
Right of use asset	2,857,969	1,136,814	
Cash escrow and reserve funds	137,080	143,291	
Tenant security deposits	7,473	8,106	
Due from related party	524,389	71,660	
 Total other assets	 3,526,911	 1,359,871	
<b>TOTAL ASSETS</b>	<b>\$ 13,453,083</b>	<b>\$ 12,460,523</b>	
	<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>			
Current portion of notes payable	\$ 26,945	\$ 111,255	
Current portion of lease liability	546,377	311,050	
Line of credit	706,502	600,083	
Accounts payable	2,030,531	2,233,966	
Accrued expenses	1,338,094	1,290,635	
Refundable advances	366,598	704,973	
 Total current liabilities	 5,015,047	 5,251,962	
<b>LONG TERM LIABILITIES</b>			
Notes payable, less current portion shown above	532,837	565,216	
Lease liability, less current portion shown above	2,311,592	825,764	
Tenant security deposits	7,448	8,081	
 Total liabilities	 7,866,924	 6,651,023	
<b>NET ASSETS</b>			
Without donor restrictions	5,107,185	5,312,618	
With donor restrictions	478,974	496,882	
 Total net assets	 5,586,159	 5,809,500	
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 13,453,083</b>	<b>\$ 12,460,523</b>	

**See Notes to Consolidated Financial Statements**

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED FEBRUARY 28, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>			
Grant awards	\$ 23,660,937	\$ -	\$ 23,660,937
Rental income	142,521	-	142,521
Other funds	3,456,987	3,113,361	6,570,348
In-kind	383,303	-	383,303
United Way	1,381	-	1,381
Interest income	3,822	-	3,822
Realized loss on disposal of equipment	<u>(10,694)</u>	<u>-</u>	<u>(10,694)</u>
Total revenues and other support	27,638,257	3,113,361	30,751,618
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Total	<u>3,131,269</u>	<u>(3,131,269)</u>	<u>-</u>
<b>EXPENSES</b>			
Program	29,545,324	-	29,545,324
Management	<u>1,429,635</u>	<u>-</u>	<u>1,429,635</u>
Total expenses	<u>30,974,959</u>	<u>-</u>	<u>30,974,959</u>
<b>CHANGE IN NET ASSETS</b>			
	(205,433)	(17,908)	(223,341)
<b>NET ASSETS, BEGINNING OF YEAR</b>			
	<u>5,312,618</u>	<u>496,882</u>	<u>5,809,500</u>
<b>NET ASSETS, END OF YEAR</b>			
	<u>\$ 5,107,185</u>	<u>\$ 478,974</u>	<u>\$ 5,586,159</u>

**See Notes to Consolidated Financial Statements**

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED FEBRUARY 29, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>			
Grant awards	\$ 26,129,332	\$ -	\$ 26,129,332
Rental Income	125,806	-	125,806
Other funds	3,627,514	3,047,768	6,675,282
In-kind	525,485	-	525,485
United Way	9,128	-	9,128
Interest Income	2,703	-	2,703
Realized loss on disposal of equipment	<u>(13,333)</u>	<u>-</u>	<u>(13,333)</u>
 Total revenues and other support	 30,406,635	 3,047,768	 33,454,403
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
 Total	 <u>3,212,844</u>	 <u>(3,212,844)</u>	 -
<b>EXPENSES</b>			
Program Management	31,676,562	-	31,676,562
	<u>2,063,754</u>	<u>-</u>	<u>2,063,754</u>
 Total expenses	 <u>33,740,316</u>	 <u>-</u>	 <u>33,740,316</u>
<b>CHANGE IN NET ASSETS</b>	 (120,837)	 (165,076)	 (285,913)
<b>NET ASSETS, BEGINNING OF YEAR</b>	 <u>5,433,455</u>	 <u>661,958</u>	 <u>6,095,413</u>
<b>NET ASSETS, END OF YEAR</b>	 <u>\$ 5,312,618</u>	 <u>\$ 496,882</u>	 <u>\$ 5,809,500</u>

**See Notes to Consolidated Financial Statements**

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED FEBRUARY 28, 2025**

	<u>Program</u>	<u>Management</u>	<u>Total</u>
Salaries and wages	\$ 9,391,999	\$ 335,507	\$ 9,727,506
Payroll taxes and benefits	2,633,276	101,254	2,734,530
Travel	282,497	3,650	286,147
Occupancy	1,550,645	86,026	1,636,671
Program services	12,088,423	-	12,088,423
Other costs:			
Accounting fees	95,770	892	96,662
Legal fees	1,985	4,851	6,836
Supplies	183,954	24,778	208,732
Postage and shipping	44,204	947	45,151
Equipment rental and maintenance	1,093	10	1,103
Printing and publications	50,770	22,475	73,245
Conferences, conventions and meetings	22,891	-	22,891
Interest	-	68,076	68,076
Insurance	172,274	36,308	208,582
Membership fees	8,543	11,620	20,163
Utility and maintenance	144,558	8,923	153,481
Computer services	62,494	-	62,494
Other	2,394,489	181,831	2,576,320
Depreciation	32,156	542,487	574,643
In-kind	383,303	-	383,303
 Total functional expenses	<u>\$ 29,545,324</u>	<u>\$ 1,429,635</u>	<u>\$ 30,974,959</u>

See Notes to Consolidated Financial Statements

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED FEBRUARY 29, 2024**

	<u>Program</u>	<u>Management</u>	<u>Total</u>
Salaries and wages	\$ 9,105,646	\$ 826,693	\$ 9,932,339
Payroll taxes and benefits	2,505,764	224,252	2,730,016
Travel	259,348	11,431	270,779
Occupancy	1,462,035	67,742	1,529,777
Program services	14,707,259	-	14,707,259
Other costs:			
Accounting fees	80,237	792	81,029
Legal fees	4,565	-	4,565
Supplies	195,916	40,011	235,927
Postage and shipping	46,082	-	46,082
Equipment rental and maintenance	4,780	-	4,780
Printing and publications	49,800	14,894	64,694
Conferences, conventions and meetings	18,678	-	18,678
Interest	-	62,390	62,390
Insurance	137,740	45,250	182,990
Membership fees	8,955	9,815	18,770
Utility and maintenance	59,074	69,084	128,158
Computer services	58,781	-	58,781
Other	2,413,981	154,502	2,568,483
Depreciation	32,436	536,898	569,334
In-kind	525,485	-	525,485
 Total functional expenses	 <u>\$ 31,676,562</u>	 <u>\$ 2,063,754</u>	 <u>\$ 33,740,316</u>

**See Notes to Consolidated Financial Statements**

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (223,341)	\$ (285,913)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	574,643	569,334
Interest on deferred financing costs	483	484
Unrealized gain on investments	(21,483)	(22,215)
Realized loss on disposal of equipment	10,694	13,333
Decrease (increase) in current assets:		
Accounts receivable	976,474	2,336,837
Inventory	(278,189)	(9,304)
Prepaid expenses	1,703	6,678
Due from related party	(452,729)	(10,312)
Tenant Security Deposits	633	141
Increase (decrease) in current liabilities:		
Accounts payable	(203,435)	(2,316,286)
Accrued expenses	47,459	113,298
Refundable advances	(338,375)	(1,112,367)
Tenant Security Deposits	(633)	(140)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>93,904</u>	<u>(716,432)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property	<u>(154,994)</u>	<u>(512,506)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(154,994)</u>	<u>(512,506)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net borrowing on line of credit	106,419	600,083
Repayment of long term debt, net	(117,172)	(230,085)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<u>(10,753)</u>	<u>369,998</u>
<b>NET DECREASE IN CASH AND RESTRICTED CASH</b>	<u>(71,843)</u>	<u>(858,940)</u>
<b>CASH AND RESTRICTED CASH BALANCE, BEGINNING OF YEAR</b>	<u>929,963</u>	<u>1,788,903</u>
<b>CASH AND RESTRICTED CASH BALANCE, END OF YEAR</b>	<u>\$ 858,120</u>	<u>\$ 929,963</u>
<b>CASH AND RESTRICTED CASH:</b>		
Cash	\$ 721,040	\$ 786,672
Cash escrow and reserve funds	<u>137,080</u>	<u>143,291</u>
	<u>\$ 858,120</u>	<u>\$ 929,963</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for interest	<u>\$ 68,076</u>	<u>\$ 62,390</u>

**See Notes to Consolidated Financial Statements**

## **COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** **FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

#### **1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Nature of Organization**

Community Action Program Belknap – Merrimack Counties, Inc. (the Organization) is a New Hampshire nonprofit organization that serves nutritional, health, living and support needs of the low income and elderly clients in the two county service areas, as well as state wide. These services are provided with the financial support of various federal, state, county and local organizations.

##### **Principles of Consolidation**

The consolidated financial statements include the accounts of Community Action Program Belknap-Merrimack Counties, Inc., and the following entities as Community Action Program Belknap-Merrimack Counties, Inc. has both an economic interest and control of the entities through a majority voting interest in their governing board. All significant intercompany items and transactions have been eliminated from basic consolidated financial statements.

- Sandy Ledge Limited Partnership
- CAP BMC Development Corporation

##### **Basis of Accounting**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

##### **Basis of Presentation**

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

**Net assets without donor restrictions** include net assets that are not subject to any 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 board of directors.

**Net assets with donor restrictions** include 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 Organization or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

## **COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** **FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

Donor restricted contributions are reported as increases in net assets with donor restrictions. When restrictions expire, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

The Organization had net assets with donor restrictions of \$478,974 and \$496,882 at February 28, 2025 and February 29, 2024, respectively (See **Note 13**).

#### **Income Taxes**

Community Action Program of Belknap-Merrimack Counties, Inc. is organized as a nonprofit corporation and is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Internal Revenue Service has determined them to be other than a private foundation.

The Organization files information returns in the United States and the State of New Hampshire. The Organization is subject to examinations by tax authorities for three years.

CAP BMC Development Corporation (the Corporation) is taxed as a “C” Corporation under the Internal Revenue Code. The Corporation accounts for deferred income taxes under the asset and liability method in accordance with Accounting Standards Codification No. 740 (ASC 740), *“Accounting for Income Taxes”*. The objective of this method is to establish deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of the Company’s assets and liabilities at the enacted tax rate expected to be in effect when such amounts are realized or settled. ASC 740 also requires deferred tax assets and liabilities to be shown separately. There are no deferred tax assets or liabilities. The Corporation has no federal net operating loss carryforwards available at February 28, 2025 and February 29, 2024.

Sandy Ledge Limited Partnership is taxed as a partnership. Federal income taxes are not payable or provided by the partnership. Earnings and losses are included in the partners’ federal income tax returns based on their share of partnership earnings. Partnerships are required to file income tax returns with the State of New Hampshire and pay an income tax at the state’s statutory rate.

Accounting Standard Codification No. 740 (ASC 740), *“Accounting for Income Taxes”*, established the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in consolidated financial statements. The Organization has analyzed its tax position taken on its income tax returns for the past three years, and has concluded that no additional provision for income taxes is necessary in the Organization’s consolidated financial statements.

## **COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** **FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

#### **Property**

Property and equipment is recorded at cost or, if donated, at the approximate fair value at the date of the donation. Assets purchased with a useful life in excess of one year and exceeding \$5,000 are capitalized unless a lower threshold is required by certain funding sources. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets as follows:

Buildings	40 years
Improvements	5 - 15 years
Equipment, furniture and vehicles	3 - 10 years

#### **Use of Estimates**

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

#### **Cash and Cash Equivalents**

For purposes of the consolidated statements of cash flows, the Organization considers all liquid investments purchased with original maturities of three months or less to be cash equivalents.

The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to these accounts.

#### **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 Organization 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 consolidated financial statements since the recognition criteria under FASB ASC No. 958 were not met.

## **COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** **FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

#### **In-Kind Donations / Noncash Transactions**

Donated facilities, services and supplies are reflected as revenue and expense in the accompanying consolidated financial statements, if the criteria for recognition is met. This represents the estimated fair value for the service, supplies and space that the Organization might incur under normal operating activities. The Organization received \$383,303 and \$525,485 in donated facilities, services and supplies for the years ended February 28, 2025 and February 29, 2024, respectively (See **Note 16**).

#### **Advertising**

The Organization expenses advertising costs as they are incurred. Total advertising costs for the years ended February 28, 2025 and February 29, 2024 totaled \$93,179 and \$149,439, respectively.

#### **Inventory**

Inventory consists of weatherization supplies and work in process and is valued at the lower of cost or net realizable value, using the first-in, first-out method.

#### **Revenue Recognition**

Amounts received from conditional grants and contracts for specific purposes are generally recognized as income to the extent that related expenses and conditions are incurred or met. Conditional grants received prior to the conditions being met are reported as refundable advances. Contributions of cash and other assets are reported as with donor restrictions if they are received with donor imposed stipulations that limit the use of the donated assets. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as without donor restrictions.

#### **Rental Revenue**

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

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

The costs of providing the various programs and other activities have been presented in the Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Expenses are charged to each program based on the direct expenses incurred or estimated usage based on time spent on each program by staff.

## **COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** **FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

<u>Expense</u>	<u>Method of allocation</u>
Wages and benefits	Time and effort
Depreciation	Actual assets used by program
All other expenses	Direct assignment

#### **2. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. The Organization uses historical loss information as the basis to determine expected credit losses for receivables and believes the composition of receivables at year end is consistent with historical conditions. 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 February 28, 2025 and February 29, 2024. The Organization has no policy for charging interest on overdue accounts.

#### **3. REFUNDABLE ADVANCES**

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services or expenditures are performed or incurred. Funds received in advance of grantor conditions being met aggregated \$366,598 and \$704,973 as of February 28, 2025 and February 29, 2024, respectively.

#### **4. LIQUIDITY AND AVAILABILITY**

The following represents the Organization's financial assets as of February 28, 2025 and February 29, 2024:

	<b><u>2025</u></b>	<b><u>2024</u></b>
Financial assets at year end:		
Cash	\$ 721,040	\$ 786,672
Accounts receivable, current portion	2,714,601	3,691,075
Investments	172,654	151,171
Cash reserves	129,322	140,167
Cash escrow	<u>7,758</u>	<u>3,124</u>
Total financial assets	<u>3,745,375</u>	<u>4,772,209</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	478,974	496,882
Reserve funds	<u>129,322</u>	<u>140,167</u>
Amounts not available within one year	<u>608,296</u>	<u>637,049</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,137,079</u>	<u>\$ 4,135,160</u>

## **COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** **FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

It is the Organization's goal to maintain financial assets to meet 60 days of operating expenses which approximates \$4,935,000 and \$5,370,000, at February 28, 2025 and February 29, 2024, respectively. The Organization has lines of credit with a combined \$293,498 and \$99,917, available to borrow on at February 28, 2025 and February 29, 2024, respectively (see **Note 8**).

#### **5. RETIREMENT PLAN**

The Organization has a qualified contributory pension plan which covers substantially all employees. The cost of the plan is charged to programs administered by the Organization. The expense of the plan for the year ended February 28, 2025 and February 29, 2024 totaled \$206,184 and \$212,693, respectively.

#### **6. LEASED FACILITIES**

The Organization accounts for its operating leases under FASB ASC 842. The right of use (ROU) asset represents the Organization's right to use underlying assets for the lease term, and the lease liability represents the Organization's obligation to make lease payments arising from these leases. The ROU asset and lease liability, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has elected to discount future cash flows at the risk free borrowing rates commensurate with the lease terms, which was 4.03%. Common expenses, classified as occupancy costs in the accompanying financial statements, are considered a non-lease component under FASB ASC 842 and are recognized as costs are incurred. The Organization's operating leases are described below.

The weighted average lease term at February 28, 2025 is 5.59 years. The weighted average discount rate at February 28, 2025 is 3.30%.

Facilities occupied by the Organization for its community service programs are leased under various operating leases. The lease terms range from month to month to ten years. For the year ended February 28, 2025 and February 29, 2024, the annual lease expense for the leased facilities was \$717,794 and \$637,428, respectively.

## **COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** **FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

The approximate future minimum lease payments at February 28, 2025 on the above leases are as follows:

<b><u>Year Ended</u></b>	<b><u>Amount</u></b>
2026	\$ 631,709
2027	575,380
2028	581,611
2029	607,474
2030	340,493
Thereafter	<u>370,690</u>
	<u>3,107,357</u>
Less imputed interest	<u>249,388</u>
Total	<u><b>\$ 2,857,969</b></u>

#### **7. ACCRUED EARNED TIME**

The Organization has accrued a liability for future annual leave time that its employees have earned and vested with the employees in the amount of \$668,986 and \$701,231 at February 28, 2025 and February 29, 2024, respectively. The policy allows for a maximum of 50 days to be carried over to the next fiscal year, however, upon termination only two weeks will be paid out. The two week liability is \$282,640 and \$304,049 at February 28, 2025 and February 29, 2024, respectively.

#### **8. BANK LINE OF CREDIT**

For the year ended February 29, 2024 the Organization had a \$200,000 revolving line of credit agreement (the line) with a bank that is due on demand. During the year ended February 28, 2025 this agreement was increased to \$500,000. The line calls for monthly variable interest payments based on the Wall Street Journal Prime Rate (7.50% and 8.50% at February 28, 2025 and February 29, 2024, respectively) plus 1%, but not less than 6% per annum. The line is secured by all the Organization's assets. There was a balance of \$207,919 and \$101,500 outstanding at February 28, 2025, and February 29, 2024, respectively.

The Organization has a \$500,000 revolving line of credit agreement (the line) with a bank that is due on demand. The line calls for monthly variable interest payments based on the Wall Street Journal Prime Rate (7.50% and 8.50% at February 28, 2025 and February 29, 2024, respectively). The line is secured by all the Organization's assets. There was a balance of \$498,583 outstanding at February 28, 2025, and February 29, 2024.

Subsequent to year end, the Organization consolidated its debt and closed one of the lines of credit. The remaining line of credit increased from \$500,000 to \$700,000.

## **COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** **FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

#### **9. CONCENTRATION OF RISK**

For the year ended February 28, 2025, approximately \$15,800,000 (51%), and \$8,300,000 (27%), of the Organization's total revenue was received from the Department of Health and Human Services and the Department of Agriculture, respectively. For the year ended February 29, 2024, \$15,400,000 (46%), and \$7,000,000 (21%), of the Organization's total revenue was received from the Department of Health and Human Services and the Department of Agriculture, respectively. The future scale and nature of the Organization is dependent upon continued support from these departments.

#### **10. LONG TERM DEBT**

Long term debt consisted of the following at February 28, 2025 and February 29, 2024:

	<u>2025</u>	<u>2024</u>
5.50% note payable to a financial institution in monthly installments for principal and interest of \$1,634 through July 2039. The note is secured by property of the Organization.	\$ 193,975	\$ 202,481
3.00% note payable to the City of Concord for leasehold improvements in monthly installments for principal and interest of \$747 through May 2027. The note is secured by property of the Organization for the agency administrative building renovations.	18,922	27,164
7.00% note payable to a bank in monthly installments for principal and interest of \$4,842. The note was paid in full during the year ended February 28, 2025.	-	5,016
1.00% Paycheck Protection Program loan payable to a bank in monthly installments for principal and interest of \$7,511 through April 2025.	9,316	106,604
Non-interest bearing note payable by Sandy Ledge Limited Partnership to New Hampshire Housing deferred until June 1, 2034 or until the project is sold or refinanced or surplus cash is available. \$1,880 of unpaid surplus cash was added back to the loan balance. The note is collateralized by a mortgage on real estate.	<u>341,922</u>	<u>340,042</u>

**COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

Total long-term debt before unamortized deferred financing cost	564,135	681,307
Unamortized deferred financing costs	<u>(4,353)</u>	<u>(4,836)</u>
	559,782	676,471
Less amounts due within one year	<u>26,945</u>	<u>111,255</u>
Long term portion	<u>\$ 532,837</u>	<u>\$ 565,216</u>

The scheduled maturities of long-term debt as of February 28, 2025 were as follows:

<b><u>Year Ending</u></b>	<b><u>Amount</u></b>
2026	\$ 26,945
2027	18,294
2028	11,750
2029	10,640
2030	11,275
Thereafter	<u>485,231</u>
	<u>\$ 564,135</u>

**11. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of February 28, 2025 and February 29, 2024:

	<b><u>2025</u></b>	<b><u>2024</u></b>
Land	\$ 279,340	\$ 279,340
Building and improvements	7,560,087	7,437,883
Equipment, furniture and vehicles	<u>4,612,817</u>	<u>4,623,986</u>
	12,452,244	12,341,209
Less accumulated depreciation	<u>6,595,273</u>	<u>6,053,895</u>
Property and equipment, net	<u>\$ 5,856,971</u>	<u>\$ 6,287,314</u>

Depreciation expense for the years ended February 28, 2025 and February 29, 2024, respectively, totaled \$574,643 and \$569,334.

## **COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** **FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

#### **12. CONTINGENCIES**

The Organization receives grant funding from various sources. Under the terms of these agreements, the Organization is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If expenditures were found not to have been made in compliance with the laws and regulations, the Organization might be required to repay the funds. No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed as of February 28, 2025.

#### **13. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following specific program services as of February 28, 2025 and February 29, 2024:

	<b><u>2025</u></b>	<b><u>2024</u></b>
NH Food Pantry Coalition	\$ 663	\$ 663
Senior center	143,213	138,549
Elder services	-	10,715
Summer feeding	27,465	14,488
Caring fund	8,793	8,793
Agency – FAP	44,305	50,550
Agency Head Start	146,917	153,780
Agency – FP/PN	19,754	69,329
Fundraising	74,894	46,999
Other programs and fundraising	<u>12,970</u>	<u>3,016</u>
 Total net assets with donor restrictions	 <u>\$ 478,974</u>	 <u>\$ 496,882</u>

#### **14. RELATED PARTY TRANSACTIONS**

The Organization serves as the management agent for the following organizations:

<b><u>Related Party</u></b>	<b><u>Function</u></b>
Belmont Elderly Housing, Inc.	HUD Property
Epsom Elderly Housing, Inc.	HUD Property
Alton Housing for the Elderly, Inc.	HUD Property
Pembroke Housing for the Elderly, Inc.	HUD Property
Newbury Elderly Housing, Inc.	HUD Property
Kearsarge Elderly Housing, Inc.	HUD Property
Riverside Housing Corporation	HUD Property
Twin Rivers Community Corporation	Property Development
TRCC Housing Limited Partnership I	Low Income Housing Tax Credit Property

## **COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** **FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

The services performed by the Organization included, marketing, accounting, tenant selection (for the HUD properties), HUD compliance (for the HUD properties), and maintenance of property.

The amount due from the related parties for operating activities (collectively) at February 28, 2025 and February 29, 2024 was \$489,894 and \$335,878, respectively, \$90,134 and \$335,878, respectively, is included in accounts receivables. \$399,760 of the February 28, 2025 amount is reported in the due from related party balance on the Statements of Financial Position.

#### **15. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Community Action Program Belknap-Merrimack Counties, Inc. has also invested money relating to its Fix-it program in certain mutual funds. The fair value of the mutual funds totaled \$172,654 and \$151,171 at February 28, 2025 and February 29, 2024, respectively.

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

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

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

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

At February 28, 2025 and February 29, 2024, the Organization's investments were classified as Level 1 and were based on fair value.

**COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

**Fair Value Measurements using Significant Observable Inputs (Level 1)**

	<b><u>2025</u></b>	<b><u>2024</u></b>
Beginning balance – mutual funds	\$ 151,171	\$ 128,956
Total gains – mutual funds	<u>21,483</u>	<u>22,215</u>
Ending balance – mutual funds	<u><u>\$ 172,654</u></u>	<u><u>\$ 151,171</u></u>

The carrying amount of cash, current assets, other assets and current liabilities, approximates fair value because of the short maturity of those instruments

**16. IN-KIND CONTRIBUTIONS/SERVICES**

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

The fair value of gifts in kind included contributions in the financial statements and the corresponding program expenses for the year ended February 28, 2025 and February 29, 2024, is as follows:

	<b><u>2025</u></b>	<b><u>2024</u></b>
Volunteer hours:		
Head Start and Early Head Start	\$ 297,181	\$ 263,727
SCSEP	8,869	13,852
Software	2,500	-
Rental space	53,318	173,339
Advertising	3,540	63,050
Donated goods	<u>17,895</u>	<u>11,517</u>
Total	<u><u>\$ 383,303</u></u>	<u><u>\$ 525,485</u></u>

**17. MANAGEMENT DISCUSSION OF FINANCIAL RESULT:**

The Organization experienced a decrease in several financial indicators during the year ended February 28, 2025. These included but are not limited to a decrease in cash and loss from operations.

Management has been actively working on improving the financial position of the Organization. Management has reduced indirect staff positions, reduced vacancies in the housing entities, reduced square footage of rental space and is meeting monthly to review budgets and cut costs. Additionally, subsequent to year end, the Organization undertook a debt consolidation initiative aimed at enhancing the Organization's financial stability and liquidity. This initiative involved renegotiating and consolidating debt so that there are extended maturities and more favorable interest terms.

**COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024**

Management is confident that their efforts will improve the financial position over the next year.

**18. RECLASSIFICATION**

Certain amounts and accounts from the prior year financial statements have been reclassified to enhance the comparability with the presentation of the current year.

**19. SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through November 7, 2025, the date the consolidated financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**

**(See Independent Auditors' Report)**

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL  
FOR THE YEAR ENDED FEBRUARY 28, 2025

<u>FEDERAL GRANTOR/</u> <u>PROGRAM TITLE</u> <u>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>PASS THROUGH GRANTOR'S NAME</u>	<u>IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>	<u>PASSED THROUGH TO SUB-RECIPIENTS</u>
HEAD START CLUSTER					
Head Start	93.600		01CH011357	\$ 5,167,967	
Low Income Home Energy Assistance Program	93.568	State of New Hampshire	02-52-52-520510-33540000	6,601,945	
Low Income Home Energy Assistance Program-BWP	93.568	State of New Hampshire	02-52-52-520510-33540000	500,341	
			TOTAL	7,102,286	
Low Income Water Assistance Program	93.499	State of New Hampshire	02-52-52-24520000	192,253	
Community Services Block Grant	93.569	State of New Hampshire	2301NHCOSR	501,043	
Social Services Block Grant-Home Delivered & Congregate Meals	93.667	State of New Hampshire	2501NHSOSR	349,480	
AGING CLUSTER					
Title III, Part B-Senior Transportation	93.044	State of New Hampshire	2201NHOASS	145,896	
Title III, Part C-Congregate	93.045	State of New Hampshire	2201NH0ACM	177,854	
Title III, Part C-Home Delivered Meals	93.045	State of New Hampshire	2201NH0AHD	633,120	
ARPA - Title III, Part C-Grab and Go	93.045	State of New Hampshire	2201NH0AHD	167,562	
NSIP	93.053	State of New Hampshire	2501NHOANS	86,853	
			CLUSTER TOTAL	1,211,285	
CHILD CARE AND DEVELOPMENT FUND CLUSTER					
Child Care & Development Block Grant	93.575	State of New Hampshire	NONE PROVIDED	402,977	
CV-Child Care & Development Block Grant	93.575	State of New Hampshire	NONE PROVIDED	196,583	
Child Care Mandatory & Matching Funds of the CCDF	93.596	State of New Hampshire	NONE PROVIDED	49,762	
			CLUSTER TOTAL	649,322	
MEDICAID CLUSTER					
Medical Assistance Program	93.778	State of New Hampshire	90NWPG0008-01-00	322,537	
Medical Assistance Program - Veterans	93.778	Gateways Community Services	NONE	108,600	
			CLUSTER TOTAL	431,137	
STLT Health Department Response to Public Health or Healthcare Crises	93.391	State of New Hampshire	NH75OT000031	24,278	
STLT Health Department Response to Public Health or Healthcare Crises	93.391	State of New Hampshire	NH75OT000031	15,469	
				39,747	
Family Planning - Services	93.217	State of New Hampshire	FPHPA006511	53,302	
Temporary Assistance for Needy Families	93.558	State of New Hampshire	2301NHTANF	519	
National Family Caregiver Support, Title III, Part E-Service Link	93.052	State of New Hampshire	2301NHOAFC	62,671	
Special Programs for Aging, Title IV-Service Link	93.048	State of New Hampshire	90MP0176-03	7,510	
State Health Insurance Assistance Program	93.324	State of New Hampshire	90SA0003-04	34,868	
Medicare Enrollment Assistance Program	93.071	State of New Hampshire	220NHMISH	16,162	
			HHS TOTAL	\$ 15,819,552	
US DEPARTMENT OF AGRICULTURE					
Special Suppl. Nutrition Program for Women, Infants & Children	10.557	State of New Hampshire	234NH703W1003	\$ 907,375	
Senior Farmers Market	10.576	State of New Hampshire	224NH728Y8604	77,806	
Child & Adult Care Food Program	10.558	State of New Hampshire	NONE PROVIDED	145,148	

See Notes to Schedule of Expenditures of Federal Awards

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

Continued

SCHEDULE OF EXPENDITURES OF FEDERAL  
FOR THE YEAR ENDED FEBRUARY 28, 2025

<u>FEDERAL GRANTOR/ PROGRAM TITLE</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>PASS THROUGH GRANTOR'S NAME</u>	<u>IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>	<u>PASSED THROUGH TO SUB-RECIPIENTS</u>
CHILD NUTRITION CLUSTER Summer Food Service Program For Children	10.559	State of New Hampshire	NONE PROVIDED	82,457	
FOOD DISTRIBUTION CLUSTER Commodity Supplemental Food Program Commodity Supplemental Food Program Emergency Food Assistance Program-Administration Emergency Food Assistance Program	10.565 10.565 10.568 10.569	State of New Hampshire State of New Hampshire State of New Hampshire State of New Hampshire	244NH814Y8005 244NH814Y8005 01-14-14-141710-51310000 01-14-14-141710-51310000	252,565 954,742 423,328 5,506,222	\$ 33,734 954,742 70,000 5,506,222
			CLUSTER TOTAL	7,136,857	6,564,698
			USDA TOTAL	\$ 8,349,643	\$ 6,564,698
<b>CORPORATION FOR NATIONAL &amp; COMMUNITY SERVICES</b>					
FOSTER GRANDPARENTS/SENIOR COMPANION CLUSTER Senior Companion Program	94.016		22SCFNH001	\$ 503,778	
			CNCS TOTAL	\$ 503,778	
<b>US DEPARTMENT OF TRANSPORTATION</b>					
Formula Grants for Rural Areas-Concord Transit	20.509	State of New Hampshire-Department of Transportation	NH-2021-017	\$ 1,326,967	
TRANSIT SERVICES PROGRAMS CLUSTER Enhanced Mobility of Seniors & Ind. W/Disabilities-CAT Enhanced Mobility of Seniors & Ind. W/Disabilities-Mid State Transportation Enhanced Mobility of Seniors & Ind. W/Disabilities - MST expansion route Enhanced Mobility of Seniors & Ind. W/Disabilities-Volunteer Drivers	20.513 20.513 20.513 20.513	State of New Hampshire-Department of Transportation State of New Hampshire-Department of Transportation State of New Hampshire-Department of Transportation State of New Hampshire-Department of Transportation	NH-2021-016-01 NH-2021-016-01 NH-2021-016-01 NH-2021-016-01	57,337 133,339 15,188 96,534	
			CLUSTER TOTAL	302,398	
			DOT TOTAL	\$ 1,629,365	
<b>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
Emergency Solutions Grant Emergency Solutions Grant	14.231 14.231	State of New Hampshire State of New Hampshire	E21-DC-33-0001 NH0020L1T002114 TOTAL	\$ 505,327 49,799 555,126	
Continuum of Care Program Continuum of Care Program	14.267 14.267	State of New Hampshire State of New Hampshire	NH0157R1T002200 NH0152R1T002200	118,881 372,089 490,970	
			HUD TOTAL	\$ 1,046,096	
<b>US DEPARTMENT OF ENERGY</b>					
SERC-Weatherization Assistance for Low Income Persons BIL-Weatherization Assistance for Low Income Persons Weatherization Assistance for Low Income Persons	81.042 81.042 81.042	State of New Hampshire State of New Hampshire State of New Hampshire	02-52-520010-33560000-074-500587 DE-EE0010001 02-52-520010-33560000-074-500587	\$ 24,820 422,732 276,365	
			DOE TOTAL	\$ 723,917	
<b>U.S. DEPARTMENT OF THE TREASURY</b>					
Coronavirus State and Local Fiscal Recovery Funds Coronavirus State and Local Fiscal Recovery Funds	21.027 21.027	Merrimack County Merrimack County	2022SSAPRA032 2022SSAPRA032	\$ 15,397 92,146 107,543	
			US TREASURY TOTAL	\$ 107,543	
			TOTAL	\$ 28,179,894	\$ 6,564,698

See Notes to the Schedule of Expenditures of Federal Awards

## **COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTIES, INC.**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED FEBRUARY 28, 2025**

#### **NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Community Action Program Belknap-Merrimack Counties, Inc. under programs of the federal government for the year ended February 28, 2025. 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 Program Belknap-Merrimack Counties, Inc., 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### **NOTE 3 INDIRECT COST RATE**

Community Action Program Belknap-Merrimack Counties, Inc. has elected to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

#### **NOTE 4 FOOD COMMODITIES AND VEHICLES**

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

**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  
Community Action Program Belknap-Merrimack Counties, Inc.

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 Program Belknap-Merrimack Counties, Inc. (a nonprofit organization), which comprise the statement of financial position as of February 28, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 7, 2025.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Community Action Program Belknap-Merrimack Counties, Inc.'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 Community Action Program Belknap-Merrimack Counties, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Community Action Program Belknap-Merrimack Counties, Inc.'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 Community Action Program Belknap-Merrimack Counties, Inc.'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 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  
November 7, 2025

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

To the Board of Directors  
Community Action Program Belknap-Merrimack Counties, Inc.

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

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

We have audited Community Action Program Belknap-Merrimack Counties, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Action Program Belknap-Merrimack Counties, Inc.'s major federal programs for the year ended February 28, 2025. Community Action Program Belknap-Merrimack Counties, Inc.'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, Community Action Program Belknap-Merrimack Counties, Inc. 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 February 28, 2025.

***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 Community Action Program Belknap-Merrimack Counties, Inc. 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 Program Belknap-Merrimack Counties, Inc.'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 Program Belknap-Merrimack Counties, Inc.'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 Community Action Program Belknap-Merrimack Counties, Inc.'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 Program Belknap-Merrimack Counties, Inc.'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 Program Belknap-Merrimack Counties, Inc.'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 Program Belknap-Merrimack Counties, Inc.'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 Program Belknap-Merrimack Counties, Inc.'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 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 have not been 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 McDonnell & Roberts  
Professional Association*

Dover, New Hampshire  
November 7, 2025

## **COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTIES, INC.**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED FEBRUARY 28, 2025**

#### **SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Community Action Program Belknap-Merrimack Counties, Inc. were prepared in accordance with generally accepted accounting principles.
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 Program Belknap-Merrimack Counties, Inc., 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 Program Belknap-Merrimack Counties, Inc. expresses an unmodified opinion on all major 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 include: U.S. Department of Health and Human Services, Head Start Program, ALN 93.600, U.S. Department of Health and Human Services, Aging Cluster, ALN 93.044, 93.045, 93.053, Low-Income Home Energy Assistance Program, ALN 93.568, U.S. Department of Transportation, Formula Grants for Rural Areas-Concord Transit, ALN 20.509, Transit Services Programs Cluster, Enhanced Mobility, ALN 20.513, U.S. Department of Health and Human Services, Social Services Block Grant-Home delivered & Congregate, ALN 93.667, U.S. Department of Agriculture, Special Supplemental Nutrition Programs for Women, Infants & Children, ALN 10.557.
8. The threshold for distinguishing Type A and B programs was \$845,397.
9. Community Action Program Belknap-Merrimack Counties, Inc. was determined to not be a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS AUDIT**

None