



TOWN OF EXETER, NEW HAMPSHIRE
HUMAN SERVICES
FY 2024

Organization's Name: ONE SKY COMMUNITY SERVICES Year Founded: 1983
Address: 755 BANFIELD ROAD, PORTSMOUTH, NH 03801
Executive Director/ Board Chair: MATT CORDARO Tax ID Number: 02-0368955
Applicant Contact: BILLIE TOOLEY Email: B.TOOLEY@ONESKY SERVICES.ORG
Address: 755 BANFIELD ROAD, PORTSMOUTH Phone: 603-770-0347

Organization's Mission Statement and Statement of Grant Purpose (e.g. This grant will be used...):

See attached

Brief Detailed description of how the money will be specifically utilized for Exeter residents:

See attached

% of overall services that goes to Exeter residents: _____

of Exeter residents served: _____

See attached

List all geographic area(s) served by organization: _____

Total Municipal Contributions in 2023: _____

List each town that contributes and the amount received: _____

See attached
↑
↑

Organization's total projected budget for FY 2024: \$ _____

Amount Requested: \$ 2000

Additional Information Required:

Please supply the following items for a complete application to be considered:

1. Provide a narrative, not to exceed two pages in size 12 font
 - a) Organization's overview
 - b) Program changes and/ or highlights from the past year

2. FY23 funded organizations must submit a brief summary of how those funds were used to support Exeter residents
 - a) If your organization is requesting an increase in funding for FY24, submit justification of increased need

3. Complete financial statements
 - a) Operating budget
 - b) Balance sheet

I certify to the best of my knowledge that the information in this proposal reflects accurate data concerning need and estimates of planned/delivered services. The proposal was considered and approved for submission by the agency Board of Directors on 7/1 (date).

By signing this application, the undersigned offers and agrees, if the proposal is accepted, to furnish items or services that is quoted. This agreement is subject to final negotiation and acceptance by the Select Board and the Budget Review Committee and subsequent contract award.

Director's (or Designee) Signature: Billie Tooley Date: 7/20/23

Submit no later than July 30, 2023:

Town of Exeter
Town Manager
10 Front Street
Exeter, NH 03833

Responses to Exeter application:

Organization’s Mission Statement and Statement of grant purpose:

We assist individuals and families with developmental disabilities and acquired brain disorders, to live as valued and contributing members in their community.

This grant will be used to provide those we serve and who reside in the Town of Exeter with additional financial assistance to pay for those crucial and essential needs and requirements that their allocated budgets can no longer cover, such as dental care, medical supplies, food, clothing, rent, medical repairs and so on. The funds go into the One Sky Readiness Fund, which is used exclusively for those needs.

% of overall services that goes to Exeter residents: 100%

of Exeter residents served: 87

List all geographic areas served by the organization:

Most of Rockingham County – Northwood, Deerfield, Nottingham, Raymond, Epping, Fremont, Brentwood, Exeter, Newfields, Newmarket, Kensington, Hampton Falls, Hampton, Seabrook, North Hampton, Kensington, Rye, New Castle, Stratham, South Hampton, Kingston, East Kingston, Portsmouth, Newington

Total Municipal contributions in 2023: We have received during our fiscal year, (July 1 to June 30) -- \$8905

Exeter	← \$1625
Newington	\$180
South Hampton	\$400
Deerfield	\$2000
Fremont	\$2000
New Castle	\$200
Portsmouth	\$2500

Please note: We continue our efforts to get the other communities we serve to become part of this effort.

Organization’s total projected budget for FY2024:
\$46.8 million (98% is Medicaid that goes directly to those we serve)

Amount requested: \$2000



Agency overview:

Incorporated in 1983, One Sky has grown into a comprehensive service agency serving over 1200 individuals and families yearly throughout most of Rockingham County.

One Sky is required to operate under state-mandated rules and regulations and is the primary point of contact for any individual living within our service area, with a Developmental Disability or an Acquired Brain Disorder, requiring support and services. We determine eligibility for available funding, work with eligible individuals and their guardians to identify specific service needs, suggest a variety of possible service providers, help the individual and guardian decide which ones to select, and monitor the quality of care throughout their life.

We continue to establish and strengthen long-term collaborations and partnerships within the communities we serve to help foster better inclusion and heightened awareness to the needs and goals of our clients.

One Sky is the sole resource of Medicaid for those with Developmental Disabilities and acquired brain disorders, our influence on their lives can be impactful not only on the quality of their life, but in terms of the comprehensive level of services and supports provided to them. This in turn alleviates the need for available town services and programs.

The services and supports One Sky delivers are unique and comprehensive for human services. Clients and their families are very supportive and pleased with what we provide. They look to us for solutions and to assist them with emergencies, as well as with crucial and essential needs. One Sky will do whatever it takes to meet their needs through advocating for change at the state level, fundraising, meeting with community leaders, and much more.

Primary programs and services of our organization:

One Sky provides clients with a broad spectrum of services, such as:

- Vocational services, residential supports, day activities, and money management programs for those on the Autism Spectrum and/or with a disability that impacts behavior, we provide them with everything from initial assessment to direct therapies, school consults and parent trainings.
- Resources for children, from birth to three years, and their families that include developmental evaluations, therapeutic interventions, guidance, instruction, referral to community resources, and emotional support.
- Information and support to those families that have a member with a developmental disability living with them, working directly and in partnership with other community organizations to provide the education, information and personalized supports needed.
- For seniors and adults with disabilities who need social and cognitive stimulation and require health monitoring during the day.
- Through their Service Coordinator, individuals and families can manage their own budget,

- hire their own workers, and plan daily living needs and social/recreational activities.
- Addressing the needs of families with children, from birth to age 21 years of age, with chronic health conditions, utilizing a family-centered approach.
 - Providing early intervention support to families of young children diagnosed with a developmental disability.
 - Assist local school districts to provide children with developmental disabilities with in-home supports o Assisting individuals over the age of 21 with a service plan that meets their needs in a community-based setting working with the State to secure the resources to ensure a successful outcome.
 - Connecting individuals with service providers who can help them.
 - Assisting individuals and families in coordinating their own self-managed service program. Helping individuals find meaningful long-term employment through assessment and skills training.
 - Helping to fill in the gap that exists between what is needed by a client and what is available through state and federally funded programs.

Our annual budget allocations from the State and Federal governments (Medicaid) are strictly based on the number, requirements and budgets of our clients and are strictly regulated. There is no wiggle room for additional allocations. Competing public policy and budget priorities have placed the resources available to us at significant risk, requiring us to actively seek private funding sources on many fronts. Clients' budgets are being stretched very thin because of the increasing costs of services and supports and just living every day trying to meet basic human needs such as seeing a dentist, fixing a special van, buying a winter coat, meeting the rent because of illness or family loss, home modifications and repairs, medical supplies and apparatus, food, gas, heat, special housing, short-term housing, and so on.

Program's Impact on Exeter residents:

One Sky is the sole resource of Medicaid for those with Developmental Disabilities and acquired brain disorders, our influence on their lives can be impactful not only on the quality of their life, but in terms of the comprehensive level of services and supports provided to them. This in turn would alleviate need for available town services and programs.

The services and supports One Sky delivers are unique and comprehensive for human services. Clients and their families are very supportive and pleased with what we provide. They look to us for solutions and to assist them with emergencies, as well as with crucial and essential needs; hence the creation of the One Sky Readiness Fund.

Program Changes and/or highlights from the past year:

There have been no changes made to the One Sky Readiness Fund procedures. Since our fiscal year runs from July to June - I can report that over \$29,000 has been approved for 25 clients to date.

Currently, 87 individuals who live in Exeter are supported by One Sky Community Services.

FY2023 One Sky Community**Services****Operating****Budget****Revenues**

Medicaid Revenue 44,711,884

Non-Medicaid Revenue 2,129,908

Total Revenues 46,841,792

Expenses

Personnel 5,571,974

Family Assistance 260,134

Vendor - Service Providers 5,274,081

Non-Personnel (Other) 35,050,610

Total Expenses 46,156,799

FY2024 One Sky Community Services	
Operating Budget	
Revenues	
Medical Revenue	44,711,884
Non-Medical Revenue	2,129,908
Total Revenues	46,841,792
Expenses	
Personnel	5,571,974
Family Assistance	260,134
Vendor - Service Providers	5,274,081
Non-Personnel (Other)	35,050,610
Total Expenses	46,156,799
Net Operating Profit/Loss	684,993
Depreciation	134,500
Net Profit/Loss	550,493



March 30, 2023

To whom it may concern,

Berry Dunn McNeil & Parker, LLC (BerryDunn) has been engaged by One Sky Community Services, Inc. (the Organization) to perform the audit of its financial statements for the year then ended June 30, 2022. It is our understanding as part of the Organization's annual filings of its resident facilities with the towns in which those facilities reside in, a copy of the audited financial statements is to be provided. Due to turnover in the Organization's finance department, there has been delays to the completion of the audit of the financial statements. At this time, BerryDunn has not issued any type of opinion on the 2022 financial statements of the Organization. Once the audit is complete and BerryDunn has issued an opinion on the 2022 financial statements, management of the Organization will supply those audited financial statements to necessary parties.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ryan E. Gough'.

Ryan E. Gough
Principal



FINANCIAL STATEMENTS

with

FEDERAL REPORTS IN ACCORDANCE WITH THE UNIFORM GUIDANCE

June 30, 2021 and 2020

With Independent Auditor's Reports





INDEPENDENT AUDITOR'S REPORT

Board of Directors
One Sky Community Services, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of One Sky Community Services, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
One Sky Community Services, Inc.
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matter

Changes in Accounting Principle

As discussed in Note 1 to the financial statements, the Organization adopted Financial Accounting Standards Board Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), and related guidance, during the year ended June 30, 2021. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2021 on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.

Berry Duann McNeil & Parker, LLC

Manchester, New Hampshire
October 27, 2021

ONE SKY COMMUNITY SERVICES, INC.

Statements of Financial Position

June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,219,484	\$ 1,679,518
Client funds held	532,893	563,295
Accounts receivable, net	4,079,179	2,090,417
Prepaid expenses	<u>64,817</u>	<u>10,539</u>
Total current assets	<u>6,896,453</u>	<u>4,343,769</u>
Property and equipment		
Land	253,200	253,200
Buildings	1,440,681	880,505
Leasehold improvements	795,388	717,329
Vehicles	91,213	91,213
Equipment	<u>793,432</u>	<u>616,910</u>
	3,334,912	2,539,157
Less accumulated depreciation	<u>(1,704,629)</u>	<u>(1,566,732)</u>
Property and equipment, net	<u>1,630,303</u>	<u>972,425</u>
Other assets	<u>17,343</u>	<u>83,995</u>
Total assets	<u>\$ 8,544,099</u>	<u>\$ 5,400,189</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 3,081,551	\$ 2,214,788
Accrued expenses and other current liabilities	365,695	240,357
U.S. Department of Health and Human Services (HHS) refundable advance	495,075	-
CARES Act refundable advance	-	619,000
Deferred revenues	282,626	-
Client funds held	532,893	563,295
Current portion of long-term debt	<u>88,932</u>	<u>64,700</u>
Total current liabilities	<u>4,793,972</u>	<u>3,692,140</u>
Long-term debt, excluding current portion	<u>26,435</u>	<u>84,414</u>
Total liabilities	<u>4,822,307</u>	<u>3,776,554</u>
Net assets		
Without donor restrictions	3,621,204	1,499,552
With donor restrictions	<u>100,688</u>	<u>124,083</u>
Total net assets	<u>3,721,792</u>	<u>1,623,635</u>
Total liabilities and net assets	<u>\$ 8,544,099</u>	<u>\$ 5,400,189</u>

The accompanying notes are an integral part of these financial statements.

ONE SKY COMMUNITY SERVICES, INC.

Statements of Activities

Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Changes in net assets without donor restrictions		
Public support and revenue		
Medicaid revenue	\$35,331,924	\$30,484,949
Bureau of Developmental Services	1,593,026	1,555,349
Contributions	-	14,715
Interest	223	440
Other revenue	1,708,606	674,896
Grant income	619,000	-
Net assets released from restriction for operating purposes	<u>69,484</u>	<u>38,472</u>
Total public support and revenue	<u>39,329,242</u>	<u>32,788,821</u>
Expenses		
Program services		
Service coordination	1,159,324	1,800,957
Combined residential and day services	17,998,318	16,012,644
Participant directed and managed/in-home supports	5,647,912	4,827,229
Early intervention	1,234,243	1,348,195
Family support	438,219	272,023
Respite care	127,979	93,736
Independent living	123,069	123,601
Day services	5,823,082	5,530,658
Clinical supports	<u>341,885</u>	<u>202,760</u>
Total program services	<u>32,893,731</u>	<u>30,011,821</u>
Supporting services		
General management	<u>4,158,310</u>	<u>1,989,014</u>
Total expenses	<u>37,052,041</u>	<u>32,010,835</u>
Impact of adoption of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 2014-09	<u>(152,549)</u>	<u>-</u>
Change in net assets without donor restrictions	<u>2,121,652</u>	<u>757,866</u>
Changes in net assets with donor restrictions		
Contributions	44,969	74,837
Net assets released from restriction for operating purposes	<u>(69,484)</u>	<u>(38,472)</u>
Change in net assets with donor restrictions	<u>(23,495)</u>	<u>36,365</u>
Change in net assets	2,098,157	794,351
Net assets, beginning of year	<u>1,623,635</u>	<u>829,284</u>
Net assets, end of year	<u>\$ 3,721,792</u>	<u>\$ 1,623,635</u>

The accompanying notes are an integral part of these financial statements.

ONE DAY COMMUNITY SERVICES, INC.

Statement of Functional Expenses

Year Ended June 30, 2021

	Service Contribution	Combined Residential / Day Services	Participant Directed and Managed / In-Home Supports	Early Intervention	Family Support	Respite Care	Independent Living	Day Services	Global Supports	General Management	Total
Personnel costs											
Salary and wages	\$ 764,779	\$ -	\$ 1,170,726	\$ -	\$ 226,128	\$ -	\$ -	\$ -	\$ -	\$ 1,471,230	\$ 3,612,631
Employee benefits	182,847	-	178,631	-	18,679	-	-	-	-	253,521	633,623
Payroll taxes	67,123	-	118,429	-	-	18,080	-	-	-	159,623	296,439
Professional fees and consultants											
Charit treatment and services	23,837	231,879	3,221,120	26,328	-	73,723	-	-	341,823	192	3,894,879
Accounting and auditing	15	-	-	-	-	-	-	-	-	23,821	23,846
Legal	3,678	-	-	-	-	8,210	-	-	-	40,878	52,533
Payroll preparation	-	-	-	-	-	-	-	-	-	23,762	23,762
Other	40,741	-	7,192	-	-	-	-	-	-	234,821	282,634
Conferences and conventions	2,828	-	-	-	-	-	-	-	-	84,309	87,135
Occupancy costs											
Rent	63,482	23,284	-	-	-	26,143	-	-	-	113,634	226,679
Electricity and other utilities	7,863	47,873	-	-	418	-	-	-	-	41,891	97,237
Maintenance and repairs	-	61,148	-	-	-	-	786	-	-	44,628	96,482
Consumable supplies											
Office consumables	786	24,213	-	-	43	-	-	-	-	6,842	31,830
Office	2,204	1,163	63	-	119	-	-	-	-	98,723	102,234
Equipment maintenance	3,877	108	-	-	197	61	-	-	-	78,833	82,826
Advertising	-	-	1,840	-	-	-	-	-	-	16,823	18,228
Printing	-	-	-	-	-	-	-	-	-	1,823	1,823
Telephone	6,333	-	-	-	-	-	-	-	-	23,229	34,434
Postage	97	-	-	-	-	-	-	-	-	13,791	13,790
Transportation	4,185	4,217	100,318	-	-	-	-	244	-	628	109,633
Assistance to individuals	309	23,229	14,180	-	211,023	4,322	-	-	-	16,036	268,047
Insurance	13,229	3,185	-	-	257	-	-	-	-	34,246	48,191
Merchant fees	-	-	-	-	-	-	-	-	-	2,640	2,640
Other expenditures	637	120	63	-	423	-	-	614	-	88,317	101,345
Subcontractor	8,178	17,494,773	813,653	1,229,823	-	-	124,783	6,622,224	-	1,222,123	21,623,023
Total expenses before depreciation	1,185,122	17,820,471	6,847,913	1,234,943	437,197	127,867	121,063	6,823,023	341,823	4,973,826	36,914,164
Depreciation	6,273	47,847	-	-	1,673	413	-	-	-	84,234	122,817
Total expenses	\$ 1,191,395	\$ 17,868,318	\$ 6,847,913	\$ 1,234,943	\$ 438,870	\$ 128,280	\$ 121,063	\$ 6,823,023	\$ 341,823	\$ 5,058,060	\$ 37,037,081

The accompanying notes are an integral part of these financial statements.

ONE DAY COMMUNITY SERVICES, INC.

Statement of Functional Expenses

Year Ended June 30, 2020

	Service Economics	Combined Residential / Day Services	Participant Directed and Managed / In-Home Services	Early Intervention	Family Support	Respite Care	Independent Living	Day Services	Clinical Programs	General Administration	Total
Personnel costs											
Salary and wages	\$ 1,013,519	\$ -	\$ 1,024,131	\$ -	\$ 118,812	\$ -	\$ -	\$ -	\$ -	\$ 830,225	\$ 3,030,457
Employee benefits	62,410	-	111,803	-	10,213	-	-	-	-	128,900	342,478
Payroll taxes	77,867	-	81,164	-	8,633	-	-	-	-	67,871	225,325
Professional fees and consultants											
Client treatment and services	43,125	277,084	2,744,434	43,163	-	91,858	-	-	202,500	247	3,463,601
Accounting and auditing	-	-	-	-	-	-	-	-	-	27,800	27,800
Legal	-	-	-	-	-	-	-	-	-	37,420	37,420
Payroll preparation	11,411	-	11,250	-	1,282	-	-	-	-	230,025	254,148
Other	70,800	-	23,600	-	-	-	-	-	-	223,825	323,224
Conferences and conventions	1,822	-	-	-	-	-	-	-	-	11,991	13,813
Occupancy costs											
Rent	23,320	25,870	-	-	25,678	-	-	-	-	111,583	224,430
Electricity and other utilities	27,682	33,045	-	-	1,740	-	-	-	-	30,233	87,700
Maintenance and repairs	440	63,322	-	-	-	-	-	-	-	10,742	67,504
Consumable supplies											
Client consumables	12,800	32,722	-	-	791	-	-	-	-	14,200	60,513
Office	12,778	-	8,172	-	672	-	-	-	-	31,253	53,425
Equipment maintenance	78,412	-	618	-	4,000	-	-	-	-	46,700	128,820
Advertising	-	-	504	-	-	-	-	-	-	6,584	6,185
Printing	1,821	-	-	-	-	-	-	-	-	3,675	5,350
Telephone	34,803	283	-	-	-	-	-	-	-	-	34,528
Postage	118	-	-	-	-	-	-	-	-	19,232	19,377
Transportation	14,820	0,704	84,004	-	337	-	-	200	-	1,011	117,844
Assistance to individuals	-	20,878	42,012	-	98,000	-	-	-	-	4,185	163,875
Insurance	6,200	2,508	-	-	2,981	-	-	-	-	28,457	33,946
Members' dues	284	-	-	-	-	-	-	-	-	3,171	3,655
Other expenditures	17,831	-	7	-	-	-	-	-	-	53,723	71,800
Subcontractor	-	18,487,520	477,492	1,205,022	-	-	123,801	8,620,028	-	28,714	28,161,028
Total expenses before depreciation	1,876,457	18,953,122	4,827,229	1,348,195	267,434	91,858	123,801	8,830,256	202,700	1,920,783	31,917,025
Depreciation	21,000	53,632	-	-	4,623	1,753	-	-	-	6,781	83,749
Total expenses	\$ 1,897,457	\$ 18,012,844	\$ 4,827,229	\$ 1,348,195	\$ 272,057	\$ 93,611	\$ 123,801	\$ 8,830,256	\$ 202,700	\$ 1,927,564	\$ 32,010,874

The accompanying notes are an integral part of these financial statements.

ONE SKY COMMUNITY SERVICES, INC.

Statements of Cash Flows

Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 2,098,167	\$ 794,351
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	137,877	93,740
Impact of adoption of FASB ASC No. 2014-09	182,549	-
Reduction in allowance for uncollectible accounts	-	(8,108)
Changes in operating assets and liabilities		
Accounts receivable, net	(1,988,762)	269,765
Prepaid expenses	(54,278)	(2,832)
Accounts payable	886,760	(1,609,707)
Accrued expenses and other current liabilities	125,338	(36,353)
Deferred revenue	110,077	-
HHS refundable advance	495,076	-
CARES Act refundable advance	<u>(619,000)</u>	<u>619,000</u>
Net cash provided by operating activities	<u>1,323,793</u>	<u>119,858</u>
Cash flows from investing activities		
Purchases of property and equipment	(795,755)	-
Change in other assets	86,852	(23,279)
Net cash used by investing activities	<u>(729,103)</u>	<u>(23,279)</u>
Cash flows from financing activities		
Principal payments on long-term debt	<u>(54,744)</u>	<u>(28,128)</u>
Net cash used by financing activities	<u>(54,744)</u>	<u>(28,128)</u>
Net increase in cash and cash equivalents	539,946	68,453
Cash and cash equivalents, beginning of year	<u>1,679,618</u>	<u>1,611,065</u>
Cash and cash equivalents, end of year	<u>\$ 2,219,484</u>	<u>\$ 1,679,518</u>
Supplementary information:		
Acquisition of property and equipment with issuance of long-term debt to seller's financing company	<u>\$ -</u>	<u>\$ 167,240</u>

The accompanying notes are an integral part of these financial statements.

ONE SKY COMMUNITY SERVICES, INC.

Notes to Financial Statements

June 30, 2021 and 2020

Nature of Activities

One Sky Community Services, Inc. (the Organization) is a New Hampshire nonprofit corporation providing a wide range of community-based services. It contracts with the New Hampshire Department of Health and Human Services (NH DHHS) to provide community-based services and support for those with developmental disabilities and acquired brain disorders in Rockingham County. The majority of its funding is from federal and state government programs.

1. Summary of Significant Accounting Policies

Recently Adopted Accounting Principle

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which identifies a five step core principle guide for organizations to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. This ASU and related guidance were adopted by the Organization for the year ended June 30, 2021. As a result of adopting this ASU, the Organization's has recognized deferred revenue of \$262,626 and decreased net assets by \$152,549 at the beginning of the year ended June 30, 2021.

Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified as follows based on the existence or absence of donor-imposed restrictions in accordance with FASB ASC Topic 958, *Not-for-Profit Entities*:

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

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the 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 a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. At June 30, 2021 and 2020, net assets with donor restrictions consisted of funds temporary in nature restricted for critical essential client needs.

ONE SKY COMMUNITY SERVICES, INC.

Notes to Financial Statements

June 30, 2021 and 2020

Contributions

Contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for a specific purpose are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. The Organization records donor-restricted contributions whose restrictions are met in the same reporting period as support without donor restrictions in the year of the gift. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in subsequent years are reported at the present value of their expected future cash flows, using risk-free interest rates applicable to the years in which the promises are to be received.

Contributions of Property and Services

Contributions of donated non-cash assets are recorded at their fair value in the period received. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity date of less than three months to be cash equivalents.

The Organization maintains its cash, including client funds held, in bank deposit accounts which, at times, may exceed federally insured limits. It has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash and cash equivalents.

ONE SKY COMMUNITY SERVICES, INC.

Notes to Financial Statements

June 30, 2021 and 2020

Allowance for Uncollectible Accounts

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts by analyzing its past history and identification of trends for all funding sources in the aggregate. Management regularly reviews data about revenue in evaluating the sufficiency of the allowance for doubtful accounts. Amounts not collected after all reasonable collection efforts have been exhausted are applied against the allowance for uncollectible accounts. As of June 30, 2021 and 2020, an allowance was recorded in the amount of \$18,835.

Property, Equipment and Depreciation

Purchased property and equipment are recorded at cost. Expenditures for repairs and maintenance are charged against operations. Renewals and betterments which materially extend the life of the assets are capitalized. Depreciation is provided on the straight-line method in amounts designed to amortize the costs of the assets over their estimated lives as follows:

Buildings and leasehold improvements	10-40 years
Equipment	3-10 years
Vehicles	5 years

Revenue Recognition

Program fee revenue is reported at the estimated net realizable amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing client services. Generally, the Organization bills third-party payors several days after services are provided. Revenue is recognized as performance obligations are satisfied. It is the Organization's expectation that the period between the time the service is provided to a client and the time a third-party payor pays for that service will be one year or less.

Under the Organization's contractual arrangements with NH DHHS, the Organization provides services to clients for an agreed upon fee. The Organization recognizes revenue for client services in accordance with the provisions of ASU No. 2014-09 and related guidance.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual services rendered. Generally, performance obligations are satisfied ratably over the life of the contract with the client. The Organization measures the performance obligation from when the Organization begins to provide services to a client to the point when it is no longer required to provide services to that client, which is generally at the time of notification to the Organization.

Each performance obligation is separately identifiable from other promises in the contract with the client and NH DHHS. As the performance obligations are met, revenue is recognized based upon allocated transaction price. The transaction price is allocated to separate performance obligations based upon the relative stand-alone selling price.

ONE SKY COMMUNITY SERVICES, INC.

Notes to Financial Statements

June 30, 2021 and 2020

Because all of its performance obligations relate to short-term contracts, the Organization has elected to apply the optional exemption provided in FASB ASC Subtopic 608-10-50-14(a), and therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Income Taxes

The Organization is a public charity under Section 501(c)(3) of the Internal Revenue Code. As a public charity, the Organization is exempt from state and federal income taxes on income earned in accordance with its tax-exempt purpose. Unrelated business income is subject to state and federal income tax. Management has evaluated the Organization's tax positions and concluded that the Organization has no unrelated business income or uncertain tax positions that require adjustment to the financial statements.

Functional Allocation of Expenses

The costs of providing various programs and activities are summarized on a functional basis in the statements of activities and functional expenses. Accordingly, rent and insurance have been allocated based on time spent between locations and functions among the programs and supporting services benefited.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. GAAP, management has considered transactions or events occurring through October 27, 2021, which is the date that the financial statements were available to be issued.

2. Availability and Liquidity of Financial Assets

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to optimize its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and a line of credit as disclosed in Note 3.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing operating activities as well as the conduct of services undertaken to support those operating activities.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover expenditures not covered by donor-restricted resources or, where appropriate, borrowings. Refer to the statements of cash flows, which identifies the sources and uses of the Organization's cash and cash equivalents.

ONE SKY COMMUNITY SERVICES, INC.

Notes to Financial Statements

June 30, 2021 and 2020

The following financial assets are expected to be available within one year of the statement of financial position date to meet general expenditures as of June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents available for operations	\$ 2,118,876	\$ 1,555,435
Accounts receivable, net	<u>4,079,179</u>	<u>2,090,417</u>
Financial assets available to meet general expenditures within one year	<u>\$ 6,188,055</u>	<u>\$ 3,645,852</u>

Cash and cash equivalents in the statement of financial position includes amounts that are part of net assets with donor restrictions, which are excluded from the above table.

3. Line of Credit

The Organization has a revolving line of credit agreement with a bank amounting to \$1,500,000, collateralized by a security interest in substantially all business assets. Monthly interest payments on any unpaid principal balance are required at a variable rate, which was 4% at June 30, 2021. At June 30, 2021 and 2020, there was no outstanding balance on the line of credit.

4. Long-Term Debt

As of June 30, long-term debt consisted of the following:

	<u>2021</u>	<u>2020</u>
Note payable to Hewlett-Packard Financial Service Company (HPFSC), due in monthly installments of \$1,943, including interest at 5.88%, through March 2023. Note payable is collateralized by equipment.	\$ 38,676	\$ 59,071
Note payable to HPFSC, due in monthly installments of \$2,859, through December 2022. Note payable is collateralized by equipment.	<u>45,691</u>	<u>60,043</u>
Less current portion	<u>84,367</u> <u>(45,932)</u>	<u>139,114</u> <u>(54,700)</u>
Long-term debt, excluding current portion	<u>\$ 28,435</u>	<u>\$ 84,414</u>

Principal maturities of long-term debt are as follows:

2022	\$ 55,932
2023	<u>28,435</u>
	<u>\$ 84,367</u>

ONE SKY COMMUNITY SERVICES, INC.

Notes to Financial Statements

June 30, 2021 and 2020

5. Conditional Promise to Give

During 2021, the Organization was awarded a grant from the New Hampshire Community Development Finance Authority in the amount of \$427,750 to be used for housing and public facility projects in New Hampshire. Receipt of the grant and recognition of the related revenue is conditional upon incurring qualified expenditures. For the year ended June 30, 2021, the Organization did not recognize any revenue related to this grant.

6. Commitments and Contingencies

Operating Lease

The Organization leases its primary facility pursuant to the terms of a lease that expires in May 2027. The initial rent of \$16,413 per month increases 2% on each anniversary, with tiered increases in the annual percentage beginning in the third year of the lease term. At June 30, 2021, and 2020, an operating lease payable of \$49,816 and \$38,787, respectively, was recognized related to the annual rent increase and is reported in accounts payable. The lessee is responsible for all utilities, repairs and maintenance and insurance and a prorate share of the real estate taxes and common area costs over a base. Rent expense was \$228,679 and \$222,430 for the years ended June 30, 2021 and 2020, respectively.

Future minimum operating lease payments are as follows:

2022	\$ 218,479
2023	225,780
2024	236,285
2025	243,374
2026	250,675
Thereafter	<u>214,092</u>
	<u>\$ 1,388,685</u>

Self-Insurance Program

For the year ended June 30, 2020, the Organization self-insured a portion of its employee health benefits. Stop loss insurance was in effect which limits the Organization's exposure to loss on an individual basis of \$30,000 and an annual aggregate basis of \$1,000,000. In 2020, total claims for health benefits were \$272,856. As of June 30, 2020, the Organization accrued a liability for claims that have been incurred, but not yet reported of \$16,481. Effective for the year beginning July 1, 2020, the Organization terminated the self insurance plan and entered into a traditional insurance plan.

ONE SKY COMMUNITY SERVICES, INC.

Notes to Financial Statements

June 30, 2021 and 2020

7. Concentration of Revenues and Risk

For the years ended June 30, 2021 and 2020, approximately 90% and 93%, respectively, of the public support and revenue of the Organization was derived from Medicaid. Accounts receivable from Medicaid totaled \$4,033,465 and \$2,053,824 at June 30, 2021 and 2020, respectively. The future existence of the Organization is dependent upon continued support from Medicaid.

Every five years the Organization is reviewed and approved by the New Hampshire Bureau of Developmental Services (BDS), as a designated provider for developmentally disabled individuals in Rockingham County in New Hampshire. In 2019, the Organization underwent its redesignation review by the BDS. As a result of the review, BDS issued a report that identified several programmatic and financial findings that prevented BDS from providing redesignation to the Organization. Effective July 1, 2019, BDS granted a conditional redesignation for 180 days. BDS indicated its intent, through a corrective action plan, is to work with the Organization to demonstrate an acceptable level of confidence to grant permanent redesignation for the next five years. BDS indicated it expects to monitor the Organization until satisfactory outcomes are achieved. Permanent redesignation and licensing was dependent on management addressing the findings and BDS accepting the corrective action plan. The Organization worked with BDS to address the findings identified. As a result, effective November 27, 2019, BDS granted the Organization redesignation, with reservation allowing BDS to undesignate the Organization at any time, through September 2023. There has been no further correspondence on this matter subsequent to being granted redesignation, with reservation.

8. Uncertainty

On March 11, 2020, the World Health Organization declared coronavirus disease (COVID-19) a global pandemic. Local, U.S., and world governments encouraged self-isolation to curtail the spread of COVID-19 by mandating the temporary shut-down of business in many sectors and imposing limitations on travel and the size and duration of group gatherings. Most sectors are experiencing disruption to business operations and may feel further impacts related to delayed government reimbursement. The Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 provides several relief measures to allow flexibility to providers to deliver critical care. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and additional government actions to mitigate them. Accordingly, while management expects this matter to impact operating results, the related financial impact and duration cannot be reasonably estimated.

The U.S. government has responded with three phases of relief legislation, as a response to the COVID-19 outbreak. Recent legislation was enacted into law on March 27, 2020, called the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), a statute to address the economic impact of the COVID-19 outbreak. The CARES Act, among other things, 1) authorizes emergency loans to distressed businesses by establishing, and providing funding for, forgivable bridge loans; 2) provides additional funding for grants and technical assistance; 3) delays due dates for employer payroll taxes and estimated tax payments for organizations; and 4) revises provisions of the Internal Revenue Code, including those related to losses, charitable deductions, and business interest. Management has evaluated the impact of the CARES Act on the Organization, including its potential benefits and limitations that may result from additional funding.

ONE SKY COMMUNITY SERVICES, INC.

Notes to Financial Statements

June 30, 2021 and 2020

During 2020, the Organization obtained \$619,000 under the CARES Act Paycheck Protection Program (PPP). The PPP has specific criteria for eligibility and provides for forgiveness of the funds under the program if the Organization meets certain requirements. Any portion of the funds that are not forgiven are to be repaid within 5 years at a 1% interest rate. During 2021, the Organization received notification from the Small Business Administration that the PPP funds obtained were forgiven and included those funds in grant income in the statement of activities.

The CARES Act also established the Provider Relief Fund (PRF) to support healthcare providers in the battle against the COVID19 outbreak. The PRF is being administered by the U.S. Department of Health and Human Services. The Organization received PRF in the amount of \$485,075 during the year ended June 30, 2021. These funds are to be used for qualifying expenditures and to cover lost revenue due to COVID-19. The PRF are recognized as income when qualifying expenditures have been incurred, or lost revenues have been identified. At June 30, 2021, management does not believe the Organization has met the conditions necessary to recognize the PRF funds as revenue and has reported the PRF funds as HHS refundable advance in the statement of financial position. Management believes the position taken is a reasonable interpretation of the rules currently available. Due to the complexity of the reporting requirements and the continued issuance of clarifying guidance, there is at least a reasonable possibility the amounts recognized may change by a material amount. Any difference between amounts previously estimated and amounts subsequently determined to be recoverable or payable will be included in income in the year that such amounts become known.

The Organization also received emergency grant funding under the CARES Act passed through the State of New Hampshire in the amount of approximately \$1,332,000 to help offset incremental costs related to the pandemic. This funding is commonly referred to as long-term care stabilization funds which are included in other revenue in the statement of activities.



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

Board of Directors
One Sky Community Services, Inc.

We have audited, in accordance with U.S. generally accepted auditing standards 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 One Sky Community Services, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2021 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 October 27, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 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*.

Board of Directors
One Sky Community Services, Inc.

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.

Berry Dunn McNeil & Parker, LLC
Manchester, New Hampshire
October 27, 2021



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
One Sky Community Services, Inc.

Report on Compliance for the Major Federal Program

We have audited One Sky Community Services, Inc.'s (the Organization) compliance with the types of compliance requirements described in the Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2021. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Organization's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Board of Directors
One Sky Community Services, Inc.

Opinion on the Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Board of Directors
One Sky Community Services, Inc.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Organization as of and for the year ended June 30, 2021, and have issued our report thereon dated October 27, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
October 27, 2021

ONE SKY COMMUNITY SERVICES, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

<u>Federal Grant/Pass-Through Granted/Program Title</u>	<u>Federal AL Number</u>	<u>Contract/Pass -Through Identifying Number</u>	<u>Total Federal Expenditures</u>
<u>United States Department of Treasury:</u>			
Pass-through:			
<u>New Hampshire Employment Security:</u>			
COVID-19 - Coronavirus Relief Fund	21.019	N/A	\$ <u>1,331,850</u>
Total CFDA 21.019, United States Department of Treasury, and Expenditures of Federal Awards			\$ <u>1,331,850</u>

ONE SKY COMMUNITY SERVICES, INC.
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of One Sky Community Services, Inc. (the Organization) for the year ended June 30, 2021. The information in this Schedule is presented in accordance with 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 portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

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.

The Organization has not elected to use the 10% de minimis indirect cost rate.

ONE SKY COMMUNITY SERVICES, INC.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified
 Internal control over financial reporting:
 Material weakness(es) identified? ___ yes X no
 Significant deficiency(ies) identified not considered to be
 material weaknesses? ___ yes X none reported
 Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? ___ yes X no
 Significant deficiency(ies) identified not considered to be
 material weaknesses? ___ yes X none reported
 Type of auditor's report issued on compliance for major
 programs: Unmodified
 Any audit findings disclosed that are required to be reported
 in accordance with 2 CFR 200.518(a)? ___ yes X no

Identification of major programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	United States Department of Treasury – COVID-19 - Coronavirus Relief Fund

Dollar threshold used to distinguish between
 Type A and Type B programs: \$750,000
 Auditee qualified as low-risk auditee? ___ yes X no

Section II. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards

None noted

Section III. Findings and Questioned Costs for the Major Federal Program

None noted