



## EXPLANATION

The purpose of this Requested Action is to amend Exhibit B Terms and Conditions of Payment to adjust the amounts within the contract price to allow for the full value of the contract to be expended during the approved contract and project period and according to paragraph 18 of the General Provisions; this change must be made in writing and approved by Governor and Executive Council. The desire to adjust the amounts between State Fiscal years is to increase funding in State Fiscal Year 2013 and State Fiscal Year 2014 for vocational English for Speakers of Other Languages, employer-based training and other employment-related services. The need for refugee employment services has increased due to the frail economy and resettlement activities in new geographic locations.

Lutheran Community Services, Inc. provides support to refugees in Concord, Laconia, Manchester, and Nashua as part of their role in the community as a voluntary resettlement agency. Lutheran Community Services, Inc. provides employer-based training, case management, and vocational English for Speakers of Other Languages training for refugees within the post-resettlement period of 6 - 60 months after arrival. Services will continue to be provided on a priority basis to those refugees residing in the United States longer than 6 months and fewer than 60 months who are ineligible for Temporary Aid to Needy Families or other cash benefits.

The contractor's performance has been measured by number of participants enrolled in English/vocational training, training completions, secured employment and the extent to which barriers to employment have been resolved. The Office of Minority Health and Refugee Affairs has determined that the Contractor has performed satisfactorily.

If this request is not approved, many refugees will be unable to access culturally appropriate vocational training and support services that will enable them to attain and/or sustain self-sufficiency. Further, without the support provided through this funding, two-parent refugee families who are reaching the end of their eight month eligibility period for Refugee Cash and are no longer eligible for other supports, such as TANF, will be at risk.

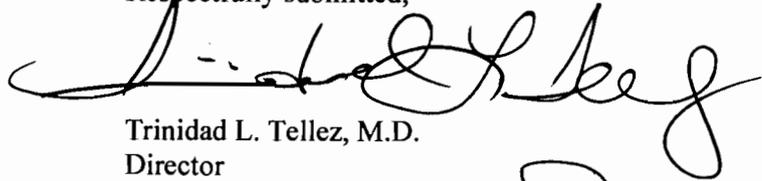
The Request for Proposals was advertised in the New Hampshire Union Leader for three days, December 4, 5, and 6, 2011. In addition, Requests for Proposals were mailed to organizations believed qualified to provide these services. Lutheran Community Services, Inc. was one of three entities to submit a proposal and was selected due to the overall quality of their bid and a demonstrated ability to meet the specifications of the RFP.

Area Served: Concord, Laconia, Manchester, Nashua

Source of Funds: 100% Federal Funds from the Department of Health and Human Services, Office of Refugee Resettlement.

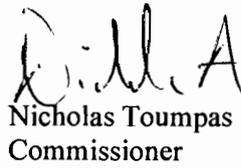
In the event that Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Trinidad L. Tellez, M.D.  
Director

Approved by:



Nicholas Toumpas  
Commissioner

Program Name  
 Contract Purpose  
 RFP Score Summary

Refugee Discretionary TAG

<b>RF/RFP CRITERIA</b>	<b>Max Pts</b>	<b>International Institute</b>	<b>Lutheran Community Services</b>	<b>NE Farm Worker's Council</b>	<b>Bidder Name, Town, St</b>				
Need	20	16.00	19.00	13.00	0.00	0.00	0.00	0.00	0.00
Approach	30	21.33	28.33	16.67	0.00	0.00	0.00	0.00	0.00
Results	30	21.33	25.00	18.67	0.00	0.00	0.00	0.00	0.00
Budget	20	15.33	19.00	10.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL POINTS</b>	<b>100</b>	<b>74.00</b>	<b>91.33</b>	<b>58.33</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>BUDGET REQUEST</b>	<b>Year 01</b>	-	-	-	-	-	-	-	-
	<b>Year 02</b>	-	-	-	-	-	-	-	-
	<b>Year 03</b>	-	-	-	-	-	-	-	-
	<b>Year 04</b>	-	-	-	-	-	-	-	-
<b>TOTAL BUDGET REQUEST</b>		-	-	-	-	-	-	-	-
<b>BUDGET AWARDED</b>	<b>Year 01</b>	-	-	-	-	-	-	-	-
	<b>Year 02</b>	-	-	-	-	-	-	-	-
	<b>Year 03</b>	-	-	-	-	-	-	-	-
	<b>Year 04</b>	-	-	-	-	-	-	-	-
<b>TOTAL BUDGET AWARDED</b>		-	-	-	-	-	-	-	-

<b>RFP Reviewers</b>		<b>Name</b>	<b>Job Title</b>	<b>Dept/Agency</b>	<b>Qualifications</b>
1		Dawn Higgins	Faculty / Coordinator	NHTI	
2		Germano Martins	Community Relations Mgr	OMHRA/DHHS	
3		Trinidad Tellez	Director	OMHRA/DHHS	
4					
5					
6					
7					
8					
9					
10					



**State of New Hampshire  
Department of Health and Human Services  
Amendment #1 Refugee Targeted Assistance**

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**State of New Hampshire  
Department of Health and Human Services  
Amendment #1 to the Refugee Targeted Assistance Contract**

This first Amendment to the Refugee Targeted Assistance contract (hereinafter referred to as "Amendment #1") dated this 7<sup>th</sup> day of May 2013, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Lutheran Community Services, Inc. (hereinafter referred to as "the Contractor"), a Massachusetts nonprofit corporation, with a place of business at 261 Sheep-Davis Road, Concord, NH, 03301.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on March 28, 2012, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to the General Provisions, Paragraph 18, the State may at its sole discretion, adjust the amounts in the budget periods, by written agreement of the parties;

WHEREAS the Department desires for the Contractor to complete the Scope of Services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree as follows:

- 1) Amendment and modification of Exhibit B;
  - a. Delete Paragraph 1 and replace with;

Payments under this contract are not to exceed \$300,000.00 for the contract and project period of February 1, 2012 – September 29, 2013. Budget periods within the contract and project period are defined as:

Budget Year 1: February 1, 2012-September 29, 2012

Budget Year 2: September 30, 2012 – September 29, 2013



**State of New Hampshire  
Department of Health and Human Services  
Amendment #1 Refugee Targeted Assistance**

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- 2) Amendment and modification to Exhibit B;
  - a. Adding Paragraph 5;  
5. The Approved Budget Year 1 and Year 2 by the State is reflected in the attached Budget Form and Narrative.
  
- 3) Amendment and modification to Exhibit B;
  - a. Adding Paragraph #6 as follows:  
  
6. Notwithstanding paragraph 18 of the P-37, an amendment to the terms of Paragraph #1 and #5 of Exhibit B, to adjust amounts within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of G&C.
  
- 4) Amendment and modification to Exhibit C-1;
  - a. Adding Paragraph #5 as follows;

Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:

**4. CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.

- b. Adding Paragraph #6 as follows;

Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;



**State of New Hampshire  
Department of Health and Human Services  
Amendment #1 Refugee Targeted Assistance**

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10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

c. Adding Paragraph #7 as follows;

Subparagraph 14.1.1 of the General Provisions of this contract is deleted and the following subparagraph is added:

14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$1,000,000 per occurrence; and

- 5) Amendment and modification to Exhibit E;
- a. Delete Contract Period dates and replace with;  
2/1/2012 through 9/29/2013.

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State of New Hampshire  
Department of Health and Human Services  
Amendment #1 Refugee Targeted Assistance

This amendment shall be retroactive to May 1, 2013, effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire  
Department of Health and Human Services

5/29/13  
Date

*Trinidad Tellez*  
Trinidad Tellez  
Director, OMHRA

Lutheran Community Services, Inc

5/14/13  
Date

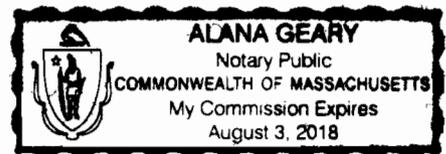
*Lisa M. Cohen, CFO/VP*  
Lisa Cohen  
Executive Vice President

Acknowledgement:

State of Massachusetts County of Worcester on May 14, 2013, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

*Alana Geary*  
Name and Title of Notary or Justice of the Peace





**State of New Hampshire  
 Department of Health and Human Services  
 Amendment #1 Refugee Targeted Assistance**

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

5/29/13  
 Date

Michael K. Brown  
 Name: Michael K. Brown  
 Title: Sr. Assistant Atty General

I hereby certify that the foregoing amendment was approved by the Governor and Council of the State of New Hampshire at the Meeting on: \_\_\_\_\_ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Name:  
 Title:

# State of New Hampshire Department of State

## CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Lutheran Community Services, Inc., a(n) Massachusetts nonprofit corporation, registered to do business in New Hampshire on June 13, 2011. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 30<sup>th</sup> day of May, A.D. 2013

A handwritten signature in black ink, appearing to read "William M. Gardner". The signature is fluid and cursive, written in a professional style.

William M. Gardner  
Secretary of State

Certificate of Vote

I, Alana Geary, Clerk of the Lutheran Community Services, Inc., do hereby certify that:

- (1) I am the duly elected and acting Clerk of Lutheran Community Services, Inc., a Massachusetts corporation (the "Corporation");
- (2) I maintain and have custody of and am familiar with the Seal and minute books of the Corporation;
- (3) I am duly authorized to issue certificates;
- (4) The following are true, accurate and complete copies of the resolutions adopted by the Board of Directors of the Corporation at a meeting of the said Board of Directors held via mail vote on the 1<sup>st</sup> of July, 2011 which meeting was duly held in accordance with Massachusetts law and the by-laws of the Corporation:

**RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting by and through the Department of Health and Human Services, providing for the performance by the Corporation of certain services, and that the President (and Vice President) (and the Treasurer) (or any of them acting singly) be and hereby (is) (are) authorized and directed for and behalf of this Corporation to enter into the said contract with the State and to take any and all such actions to execute, seal, acknowledge and deliver for an on behalf of this Corporation any and all documents, agreements and other instruments (and any amendments, revisions or modifications thereto) as (she) (he) (any of them) may deem necessary, desirable or appropriate to accomplish the same;**

**RESOLVED: That the signature of any officer of this Corporation affixed to any instrument or document described in or contemplated by these resolutions shall be conclusive evidence of the authority of said officer to bind this Corporation thereby.**

The foregoing resolutions have not been revoked, annulled or amended in any manner whatsoever, and remain in full force and effect as of the date hereof; and the following person(s) (has) (have) been duly elected and now occupy the office(s) indicated below.

<u>Angela Bovill</u>	President
<u>Lisa Cohen</u>	Executive Vice President
<u>Nick Russo</u>	Treasurer
<u>Alana Geary</u>	Clerk

IN WITNESS WHEREOF, I have hereunto set my hand as the Clerk of the Corporation and have affixed its corporate seal this 14<sup>th</sup> day of May, 2013.

Alana Geary  
(Signature)

(Seal)

STATE OF Massachusetts

COUNTY OF Worcester

On this the 14 day of May 2013, before me, Deborah Cistoldi, the  
(Notary)

undersigned officer, personally appeared Alana Shrey, who acknowledge  
(Title)

her/himself to be the clerk, of Lutheran Communities Services  
(Title) (Name of Corporation)

a corporation, and that she/he, as such clerk being authorized to  
(Title)

do so, executed the foregoing instrument for the purposes therein contained, by signing the name

of the corporation by her/himself as clerk.  
(Title)

IN WITNESS WHEREOF I have set my hand and official seal.

Deborah Cistoldi  
Notary Public/Justice of the Peace





**LUTHERAN COMMUNITY SERVICES, INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2012**

**LUTHERAN COMMUNITY SERVICES, INC.  
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YEAR ENDED JUNE 30, 2012**

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CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Lutheran Community Services, Inc.  
Worcester, Massachusetts

We have audited the accompanying consolidated statement of financial position of Lutheran Community Services, Inc. as of June 30, 2012, and the related consolidated statements of activities, changes in net assets, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Lutheran Community Services, Inc. as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads 'CliftonLarsonAllen LLP'.

CliftonLarsonAllen LLP

Quincy, Massachusetts  
November 27, 2012

**LUTHERAN COMMUNITY SERVICES, INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2012**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 818,707
Accounts Receivable, (Net of Estimated Uncollectible Accounts)	3,177,397
Prepaid Expenses	117,684
Total Current Assets	4,113,788

**ASSETS LIMITED AS TO USE**

Beneficial Interest in Net Assets of Affiliate	621,239
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**PROPERTY AND EQUIPMENT**

Land	117,592
Building	945,675
Building Improvements	1,562,330
Leasehold Improvements	1,095,858
Furniture and Equipment	229,334
Vehicles	227,951
Equipment Held Under Capital Lease	427,911
Computer Equipment and Software	83,795
Total	4,690,446
Less: Accumulated Depreciation	1,813,940
Total Property and Equipment, Net	2,876,506

**DUE FROM RELATED PARTIES**

356,242

**OTHER ASSETS**

Deposits	10,292
Construction in Progress	30,000
Total Other Assets	40,292

Total Assets	\$ 8,008,067
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See accompanying Notes to Financial Statements.

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Long-Term Debt - Current Maturities	\$ 76,735
Accounts Payable	1,206,048
Accrued Expenses	1,273,666
Deferred Revenue	290,343
Due to the State of Maine	268,109
Due to Third Party	43,059
Total Current Liabilities	<u>3,157,960</u>

**LONG-TERM DEBT, Net of Current Maturities** 1,098,572

**DUE TO RELATED PARTIES** 400,963

Total Liabilities 4,657,495

**NET ASSETS**

Unrestricted	2,658,183
Temporarily Restricted	692,389
Total Net Assets	<u>3,350,572</u>

Total Liabilities and Net Assets \$ 8,008,067

**LUTHERAN COMMUNITY SERVICES, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012**

<b>UNRESTRICTED NET ASSETS</b>	
<b>REVENUE</b>	
Program Service Revenue	
Public Sources	\$ 32,004,403
Private Sources	<u>3,750,953</u>
Total Program Service Revenue	35,755,356
<b>OTHER INCOME</b>	
Net Assets Released from Restriction Used for Operations	331,780
Donations in Kind	12,935
Other Income	<u>108,348</u>
Total Other Income	<u>453,063</u>
 Total Revenue	 36,208,419
<b>EXPENSES</b>	
Salaries and Wages	17,073,866
Employee Benefits	3,544,769
Program Expenses	7,455,431
Professional Fees	282,167
Occupancy Costs	1,157,877
Operating Supplies and Expenses	1,420,753
Administrative Costs	4,055,100
Travel Expenses	824,434
Custodial Fee	60,487
Depreciation and Amortization	274,350
Bad Debt Expense	22,991
Interest	<u>105,063</u>
Total Expense	<u>36,277,288</u>
 <b>OPERATING LOSS</b>	 (68,869)
<b>NONOPERATING LOSS</b>	
Loss on Disposal of Fixed Assets	<u>(125,808)</u>
Total Nonoperating Loss	<u>(125,808)</u>
 <b>DECREASE IN UNRESTRICTED NET ASSETS</b>	 <u><u>\$ (194,677)</u></u>

See accompanying Notes to Financial Statements.

**LUTHERAN COMMUNITY SERVICES, INC.**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED OF JUNE 30, 2012**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>NET ASSETS AT JUNE 30, 2011</b>	\$ 2,852,860	\$ 603,602	\$ 3,456,462
Decrease in Unrestricted Net Assets	(194,677)	-	(194,677)
Change in Beneficial Interest in Net Assets of Affiliate	-	351,567	351,567
Restricted Contributions	-	69,000	69,000
Net Assets Released from Restrictions - Operations	-	(331,780)	(331,780)
Change in Net Assets	<u>(194,677)</u>	<u>88,787</u>	<u>(105,890)</u>
<b>NET ASSETS AT JUNE 30, 2012</b>	<u>\$ 2,658,183</u>	<u>\$ 692,389</u>	<u>\$ 3,350,572</u>

See accompanying Notes to Financial Statements.

**LUTHERAN COMMUNITY SERVICES, INC.  
CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2012**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ (105,890)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	274,350
Bad Debts	22,991
Change in Beneficial Interest in Net Assets of Affiliate	(29,025)
Contributed Leased Property and Improvements	(81,935)
Loss on Disposal of Fixed Asset	125,808
(Increase) Decrease in:	
Accounts Receivable	211,375
Prepaid Expenses	221,868
Other Current Assets	991
Increase (Decrease) in:	
Accounts Payable	280,865
Accrued Expenses	(243,887)
Deferred Revenue	26,642
Due to State of Maine	114,207
Net Cash Provided by Operating Activities	<u>818,360</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of Property and Equipment	(251,435)
Proceeds on Sale of Fixed Assets	25,332
Additions to Construction in Progress	(30,000)
Net Cash Used by Investing Activities	<u>(256,103)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Payments on Line of Credit	(200,000)
Principal Payments on Long-Term Debt	(115,870)
Advances from Related Organizations	171,356
Net Cash Used by Financing Activities	<u>(144,514)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	417,743
Cash and Cash Equivalents - Beginning of Year	<u>400,964</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 818,707</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>	
Cash Paid for Interest	<u>\$ 105,063</u>
<b>SUPPLEMENTAL DATA FOR NONCASH INVESTING AND FINANCING TRANSACTIONS</b>	
Equipment Acquired via Capital Lease	<u>\$ 33,476</u>
Construction in Progress Placed in Service	<u>\$ 3,000</u>
Equipment Acquired via In-Kind Donation	<u>\$ 81,935</u>
Proceeds from Sales of Fixed Assets	\$ 141,500
Sale Proceeds Retained by Related Organization	(69,000)
Payoff of Long Term Debt	(47,168)
Net Proceeds from Sales of Fixed Assets	<u>\$ 25,332</u>
Transfer of Line of Credit to Related Organization	<u>\$ 300,000</u>

See accompanying Notes to Financial Statements.

**LUTHERAN COMMUNITY SERVICES, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2012**

	<u>Total</u>	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>
Salaries and Wages	\$ 17,073,866	\$ 16,821,196	\$ 252,670	\$ -
Employee Benefits	3,544,769	3,477,817	66,952	-
Program Expenses	7,455,431	7,423,897	31,534	-
Professional Fees	282,167	259,443	22,724	-
Occupancy Costs	1,157,877	1,026,016	131,861	-
Operating Supplies and Expenses	1,420,753	1,356,289	64,464	-
Administrative Costs	4,055,100	-	4,055,100	-
Travel Expenses	824,434	809,932	14,502	-
Custodial Fee	60,487	-	-	60,487
Interest	105,063	105,063	-	-
Bad Debt Expense	22,991	22,991	-	-
Total Before Depreciation and Amortization	<u>36,002,938</u>	<u>31,302,644</u>	<u>4,639,807</u>	<u>60,487</u>
Depreciation and Amortization	<u>274,350</u>	<u>267,065</u>	<u>7,285</u>	<u>-</u>
Total Functional Expenses	<u>\$ 36,277,288</u>	<u>\$ 31,569,709</u>	<u>\$ 4,647,092</u>	<u>\$ 60,487</u>

See accompanying Notes to Financial Statements.

LUTHERAN COMMUNITY SERVICES, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Lutheran Community Services, Inc. f/k/a Lutheran Community Services of Massachusetts, Inc. (LCS) and Lutheran Community Care, Inc. (LCC) (collectively the Organizations) are corporations exempt from tax under Section 501(c)(3) of the Internal Revenue Code as a public charity. The Organizations provide community service programs to children, families, refugees, and developmentally disabled adults throughout New England. Effective July 25, 2011, LCS transferred its "In Home Care" service line to LCC; LCS is the sole corporate member of LCC. Lutheran Social Services of New England, Inc. (LSSNE) is the sole corporate member of LCS.

The Organizations provide the following programs:

Social Services – through a variety of programs, the Organizations provide services related to therapeutic foster care, unaccompanied refugee minors support, housing for teen mothers and their children, housing for homeless, small group homes serving teenagers, various support services and living accommodations for developmentally, physically and mentally disabled adults and other various social support programs.

Refugee Services – through this program, the Organizations seek to provide resettlement, employment, case management, medical case management, English as a second language classes, and other support services to refugees, asylees, and immigrants.

Adoption – through this program, the Organizations provide services related to domestic and international adoptions.

**Basis of Consolidation**

The accompanying financial statements present the consolidated financial position, results of operations, changes in net assets, cash flows, and functional expenses of the Organizations. Material intercompany transactions and balances have been eliminated in consolidation.

**Method of Accounting**

The financial statements of the Organizations have been prepared on the accrual method of accounting. Accordingly, assets are recorded when the Organizations obtain the rights of ownership or is entitled to claims for receipt and liabilities are recorded when the obligation is incurred.

**Cash and Cash Equivalents**

The Organizations consider all short-term debt securities purchased with an original maturity of three months or less to be cash equivalents.

**Accounts Receivable**

Accounts receivable are recorded net of an allowance of expected losses. The allowance is estimated from historical performance and projections of trends. Credit is extended to customers and collateral is not required. When the accounts become past due, historically, the Organizations have not charged interest to these accounts.

LUTHERAN COMMUNITY SERVICES, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

Program Service Revenue

Program service revenue is recognized as costs are incurred and services are provided

Property and Equipment

Property and equipment are recorded at cost. Assets with an estimated useful life of more than one year and a historical cost in excess of \$2,500 are capitalized. The Organizations capitalize acquisitions and improvements, while expenditures for maintenance and repairs that do not extend the useful lives of the assets are charged to operations. Donated property and equipment are recorded at its fair market value at date of donation. Gifts of long-lived assets are reported as unrestricted support unless donor stipulations specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulation about how long those assets must be maintained, expiration of donor restrictions are reported when the donated or acquired long-lived assets are placed into service. Depreciation is computed using the straight-line method over the estimated useful life of the assets

Related Party Loans Receivable

The Organizations' loan portfolio is comprised on unsecured related party loans receivable that are non-interest bearing and have no fixed repayment terms, as detail in Note 3, and is considered a single portfolio class. Related party loans receivable are recorded net of an allowance for expected loan losses (allowance). The Organizations establish an allowance as an estimate of inherent risk in the Organizations' loan portfolio. Although management believes the allowance to be adequate, ultimate losses may vary from its estimates. The allowance is established through a provision for loan losses that is charged to expense. Loan losses are charged off against the allowance when the Organizations determine the loan balance to be uncollectible. Proceeds received on previously charged off amounts are recorded as recovery in the year of receipt. The Organizations determined that all related party loans receivable are fully collectible as of June 30, 2012.

The Organizations review the adequacy of the allowance, including consideration of the relevant risks in the loan portfolio, current economic conditions and other factors periodically. The Organizations internally monitor related party borrowers to assess the risk of nonperformance. The Organizations determine that changes are warranted based on those reviews, the allowance is adjusted.

Net Assets

Net assets of the Organizations are classified and reported as follows:

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organizations and/or the passage of time.

**LUTHERAN COMMUNITY SERVICES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Net Assets (Continued)**

**Permanently Restricted Net Assets**

Include contributions which require by donor restriction that the corpus be invested in perpetuity and only the income be made available for operations in accordance with donor restrictions.

**Recognition of Donor Restrictions**

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Donated Services**

Donated services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**Advertising Costs**

Promotional advertising costs are expensed as incurred. Promotional advertising expense charged to operations amounted to \$17,995 for the year ended June 30, 2012.

**Use of Estimates**

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

**Functional Allocation of Expenses**

The cost of providing the various programs and services are summarized on a functional basis. Costs are generally identified as to program site, and are then allocated between programs and supporting services that benefited based on total direct expenses.

**Income Taxes**

The Organizations are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal and state income taxes on related income pursuant to section 501(a) of the code. Should that status be challenged, in the future the LCS's 2009 through 2012 tax years are open for examination by federal and state taxing authorities and LCC's 2012 tax year is open for examination by federal and state taxing authorities.

LUTHERAN COMMUNITY SERVICES, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

**Deferred Revenue**

Deferred revenue consists primarily of advances received from state and federal agencies for initial funding of programs. Amounts will be recognized as revenue as these programs incur the related expenditures.

**Fair Value Measurements**

In accordance with professional standards, assets and liabilities measured and recorded at fair value are required to be categorized into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I) and the lowest priority to unobservable inputs (Level III). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities measured and recorded at fair value by the Organizations are categorized as follows:

**Level I** – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organizations have the ability to access.

**Level II** – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

**Level III** – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

**Subsequent Events**

In preparing these financial statements, the Organizations have evaluated events and transactions for potential recognition or disclosure through November 27, 2012, the date the financial statements were available to be issued.

**LUTHERAN COMMUNITY SERVICES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2 ASSETS LIMITED AS TO USE**

**Beneficial Interest in Net Assets of Affiliate**

The Organizations record beneficial interest in the assets of Lutheran Social Service of New England Foundation, Inc. (LSSNEF), a related party, for funds being held by LSSNEF on behalf of the Organizations.

**NOTE 3 RELATED PARTY TRANSACTIONS**

The Organizations have entered into the following transactions with related parties:

a) The Organizations are charged annually by LSSNE for accounting, management services, and overhead in monthly installments. Charges to operations for these services totaled approximately \$3,900,000 for the year ended June 30, 2012. These expenses have been included on the statement of activities under the caption "Administrative Costs". In addition, LSSNE is the central contracting entity for insurance coverage, and insurance costs are then billed monthly to the Organizations.

b) In connection with soliciting and managing donations received, LSSNEF charged the Organizations a custodial fee. The custodial fee charged to operations was \$60,487 for the year ended June 30, 2012.

c) The Organizations rents office space and various program sites from LSSNE under tenancy at will arrangements. The rent charged to operations for these program sites and office space amounted to approximately \$29,000 for the year ended June 30, 2012.

d) LCS transferred line of credit draw in the amount of \$300,000 to LSSNE, co-borrower, see Note 9 for details.

e) Related Party loans that bear no interest and have no fixed repayment terms, are as follows:

Due from Related Parties:

Lutheran Social Services of New England, Inc.	\$ 143,470
Lutheran Home of Southbury, Inc.	140,594
Lutheran Home of Worcester, Inc.	66,951
Luther Ridge at Middletown, Inc.	3,256
Lutheran Community Services - Creative Living, Inc.	1,971
Total	\$ 356,242

Due to Related Parties:

Lutheran Social Services of New England Foundation, Inc.	\$ 296,718
Good News Garage, Inc.	104,245
Total	\$ 400,963

**LUTHERAN COMMUNITY SERVICES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 4    DEFINED CONTRIBUTION PENSION PLAN**

The Organizations participate in a defined contribution thrift plan (the thrift plan) qualifying under Internal Revenue Code Section 403(b) maintained by LSSNE. The thrift plan permits discretionary employer contributions based on a specified percentage of annual compensation and employee contributions. The Organizations did not make contributions to the plan for the year ended June 30, 2012.

**NOTE 5    ACCOUNTS RECEIVABLE**

The accounts receivable balance consisted of the following at June 30, 2012:

Accounts Receivable - Program Services	\$ 3,234,098
Less: Allowance for Doubtful Accounts	<u>(56,701)</u>
Accounts Receivable, Net	<u><u>\$ 3,177,397</u></u>

**NOTE 6    CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Organizations to concentrations of credit risk consist principally of the following:

**Cash and Cash Equivalents**

The Organizations maintain cash and cash equivalent balances in several federally insured financial institutions in the same geographic area as well as a money market fund. During the year there may be times when uninsured cash is significantly higher.

**Major Customer**

The Organizations receive significant funding from various federal and state agencies. The states through which funding was received include Massachusetts, New Hampshire and Maine. At June 30, 2012 approximately 90% of the Organizations revenue was received from state and federal agencies directly or via pass through for the year then ended.

**Due from Related Parties**

The Organizations extend unsecured credit to its affiliates. The balance due from affiliates totaled \$356,242 at June 30, 2012.

**Beneficial Interest in Net Assets of Related Party**

The Organizations unsecured gifts, held by a related party, amounted to \$621,239 at June 30, 2012.

**Accounts Receivable**

The Organizations extend unsecured credit to its customers. Accounts receivable amounted to \$3,177,397 at June 30, 2012.

**LUTHERAN COMMUNITY SERVICES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 7 PROPERTY AND EQUIPMENT**

The useful lives of property and equipment for purposes of computing depreciation are:

Building, Building Improvements and Leasehold Improvements	5 - 40 Years
Equipment, Furniture and Fixtures and Vehicles	3 - 10 Years
Equipment under Capital Lease	3 - 5 Years
Computer Equipment and Software	3 Years

Depreciation and amortization (including amortization of equipment under capital lease) expense charged to operations was \$274,350 for the year ended June 30, 2012.

During November 2011, LCS deemed Building assets with a net book value of approximately \$76,000 and Building Improvements with a net book value of approximately \$138,000 to be held for sale, at this time depreciation of these assets were ceased. On June 29, 2012, the assets were sold and LCS recognized a loss on disposal. The loss of approximately \$145,000 is reflected under the caption "Loss on Disposal of Assets" on the Statement of Activities for the year ended June 30, 2012.

During March 2012, LCS deemed Land assets with a cost basis of approximately \$53,000 to be held for sale. On June 1, 2012, the asset was sold and LCS recognized a gain on disposal. The gain of approximately \$19,000 is reflected under the caption "Loss on Disposal of Assets" on the Statement of Activities for the year ended June 30, 2012.

**NOTE 8 MAINE MEDICAID LIABILITY**

LCS provides services for Medicaid eligible individuals under terms of costs based contracts with the State of Maine. Accordingly, LCS provides for the estimated amount of settlements with Medicaid as a liability. Final reimbursement is not determined until the State of Maine accepts the cost report. The amount of the estimated liability was approximately \$268,000 at June 30, 2012. Adjustments to these estimates are reflected on the Statement of Activities under the caption "Public Sources" to the extent not previously recorded in the year the final settlement information becomes available to management.

**NOTE 9 LINE OF CREDIT**

LCS and LSSNE have a joint line of credit agreement with Bank of America. The line of credit is payable on demand and has a limit of \$300,000. The line is collateralized by various business assets. The interest rate on the line of credit is prime plus 3% (6.25% at June 30, 2012). The line of credit has an outstanding balance of \$150,000 at June 30, 2012, and is recorded on the books of LSSNE.

LCS and LSSNE were not in compliance with the covenant requirements at June 30, 2012 on the Bank of America line of credit. However, the lender did not demand payment as is allowed under the agreement and the debt is currently classified as current on the books of LSSNE as the amount is due on demand.

**LUTHERAN COMMUNITY SERVICES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 10 CONTRIBUTED LEASED PROPERTY**

Effective June 29, 2012 ("lease inception date") LCS ("lessee") entered into a lease agreement to lease a building. The lease is for a period of five years with an annual rent of \$1 payable to lessor each year.

Management has determined that the annual rental payments are below market value and therefore have recorded the fair value of the lease in the financial statements. The valuation of the lease is based on the lesser of the net present value of market rate rent payments or the fair market value of the building at the lease inception date, at that time, was estimated to be \$69,000. Management concluded that the fair value of the building was the lesser of the two valuation methods and consequently valued the market rate lease at \$69,000 at the lease inception date. The fair value of the lease is being amortized on a straight-line basis over the term of the lease. The unamortized fair value of the lease amounted to \$69,000 as of June 30, 2012 and is reported in the caption "Building" in the Statement of Financial Position.

**NOTE 11 LONG TERM DEBT**

The Organizations are liable on long-term debt at June 30, 2012 as follows:

Note Payable

Term note payable to Bank of America face amount \$350,000, due August 7, 2033, secured by business assets, payable in monthly installments of interest only through August 2008 then monthly payments of principal plus interest through maturity. Interest rate is the 30 year treasury bill rate plus 2 1/2% adjusted annually (7.1% at June 30, 2012). \$ 327,906

Mortgages

1st Mortgage payable to TD Bank in monthly principal and interest payments of \$3,558 maturing on December 17, 2014, with an interest rate of 5%, secured by all business assets. 407,121

Mortgage payable to Bank of America face amount \$370,308, secured by real property owned by LCS at four locations, and guaranteed by LSSNE, with an interest rate of 7.7%, due August 2032. Monthly principal and interest payments of \$2,813. 340,537

Capital Lease Obligations

LCS is obligated under various capital lease agreements for equipment and motor vehicles, expiring from 2013 through 2015, with a combined monthly payment of approximately \$3,900 with interest rates ranging from approximately 4% to 8%. 99,743

Total 1,175,307

Less: Current Maturities (76,735)

Long-Term Debt, Net \$ 1,098,572

**LUTHERAN COMMUNITY SERVICES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 11 LONG TERM DEBT (CONTINUED)**

Following are current maturities for the next five years:

<u>Year Ended June 30,</u>	<u>Current Maturities</u>
2013	\$ 76,735
2014	74,105
2015	401,565
2016	17,912
2017	19,079

Interest charged to operations for the above long-term debt amounted to \$105,063 for the year ended June 30, 2012.

**NOTE 12 DUE TO THIRD PARTY**

The Organizations are reflecting an estimated liability in the amount of \$43,059 at June 30, 2012, due to the New Hampshire Department of Children, Youth and their Families (DCYF) resulting from reported overpayments that date back to 2005. The liability is reflected on the Statement of Financial Position under the caption "Due to Third Party".

**NOTE 13 OPERATING LEASES**

The Organizations lease land, buildings, equipment and motor vehicles under various operating lease agreements with terms of one to five years. Total rent and related expenses amounted to approximately \$900,000 for the year ended June 30, 2012.

Future minimum lease payments under these agreements are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2013	\$ 472,753
2014	151,073
2015	115,313
2016	11,831
Total	<u>\$ 750,970</u>

**NOTE 14 CONSTRUCTION IN PROGRESS**

As of June 30, 2012, the Organizations capitalized \$30,000 for the deposit on database development to be completed in fiscal year 2013. The Organizations placed into service \$91,000 of costs related to property renovations completed during the year.

**LUTHERAN COMMUNITY SERVICES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 15 CONTINGENCIES**

A significant portion of the Organizations' net revenues and accounts receivable are derived from services reimbursable under Medicaid programs. There are numerous healthcare reform proposals being considered on federal and state levels. The Organizations cannot predict at this time whether any of these proposals will be adopted or, if adopted and implemented, what effect such proposals would have on the Organizations.

A significant portion of the Organizations' revenues are derived from services reimbursable under Medicaid programs. The base year costs utilized in calculating the Medicaid rates are subject to audit which could result in a retroactive rate adjustment for all years in which that cost base was used in calculating the rates. It is not possible at this time to determine whether the Organizations will be audited or if a retroactive rate adjustment would result.

LCS and LSSNE have entered into an equity sharing agreement related to four properties transferred from LSSNE to the LCS on July 1, 2001. The agreement states that if the properties are sold or leased to a third party, approximately 40% of the proceeds will become payable to LSSNE. Such payment represents the excess of fair value of the properties transferred over their net book value as of July 1, 2001.

A significant portion of the Organizations' revenues are derived from state and federal government funding. Due to current economic conditions it is possible that funding from these sources could be reduced in the near term. The Organizations cannot determine at this time if funding levels will change, or what financial impact, if any, potential changes would have on the Organizations.

LCS was previously covered by a retroactive workers compensation and employer's liability insurance policy. Under such a policy, the ultimate premium is based on LCS's loss experience. In addition, LCS accrues estimated losses for asserted and unasserted claims in excess of the minimum premium up to any stipulated maximum per the policy. LCS's policy contained a loss limitation provision of \$250,000 per incident. As of June 30, 2012 there is an open asserted claim outstanding. There are potential additional costs related to this claim for which management cannot estimate, thus no provision has been recorded. The maximum amount of the additional claims considering the loss limitation is \$144,000. Management is unaware of any additional unasserted claims as of June 30, 2012, thus any financial impact related to such claims cannot be determined at this time.

**LUTHERAN COMMUNITY SERVICES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 16 FAIR VALUE MEASUREMENT**

The Organizations use fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Fair value measurement is based on quoted market prices. For additional information on how the Organizations measure fair value refer to Note 1 – Organization and Summary of Significant Accounting Policies.

The following tables present the Organizations fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2012:

	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
<b>Beneficial Interest in Net Assets of Affiliate</b>				
Cash Equivalents	\$ 621,239	\$ 621,239	\$ -	\$ -
Total	<u>\$ 621,239</u>	<u>\$ 621,239</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 17 LITIGATION**

Various claims have been filed against the Organizations with discrimination commissions. In addition, the Organizations are involved in various lawsuits. The Organizations are vigorously defending those claims and suits, and the likelihood of a favorable or unfavorable outcome cannot be determined at this time, accordingly, no provision has been recorded in the financial statements. Management contends that insurance coverage applies in most instances with a deductible on the applicable policy of \$10,000.

**New Hampshire Refugee Social Services TAG  
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD**

Bidder/Program Name: Lutheran Community Services, Inc.

Budget Period: 2/1/12 to 9/30/12

Line Item	Direct Incremental	Indirect Fixed	Total	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 30,736.00	\$ -	\$ 30,736.00	
2. Employee Benefits	\$ 6,916.00	\$ -	\$ 6,916.00	
3. Consultants	\$ 20,090.00	\$ -	\$ 20,090.00	
4. Equipment:	\$ 1,324.00	\$ -	\$ 1,324.00	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ 203.00	\$ -	\$ 203.00	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ 1,313.00	\$ -	\$ 1,313.00	
6. Travel	\$ 2,965.00	\$ -	\$ 2,965.00	
7. Occupancy	\$ 5,263.00	\$ -	\$ 5,263.00	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ 1,554.00	\$ -	\$ 1,554.00	
Postage	\$ 97.00	\$ -	\$ 97.00	
Subscriptions	\$ 16.00	\$ -	\$ 16.00	
Audit and Legal	\$ 1,309.00	\$ -	\$ 1,309.00	
Insurance	\$ 1,774.00	\$ -	\$ 1,774.00	
Board Expenses	\$ 186.00	\$ -	\$ 186.00	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ 2,918.00	\$ -	\$ 2,918.00	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
Client assistance	\$ 2,095.00	\$ -	\$ 2,095.00	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ 11,223.00	\$ 11,223.00	
<b>TOTAL</b>	<b>\$ 78,759.00</b>	<b>\$ 11,223.00</b>	<b>\$ 89,982.00</b>	

Indirect As A Percent of Direct

14.25%

*LSC*  
5/14/13

**New Hampshire Refugee Social Services #13-OMHRA-RSS-5  
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD**

**Bidder/Program Name:** Lutheran Community Services, Inc.

**Budget Period:** 10/1/12 to 9/30/13

Line Item	Direct Incremental	Indirect Fixed	Total	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 105,250.00	\$ -	\$ 105,250.00	
2. Employee Benefits	\$ 23,681.00	\$ -	\$ 23,681.00	
3. Consultants	\$ 30,000.00	\$ -	\$ 30,000.00	
4. Equipment:	\$ 4,000.00	\$ -	\$ 4,000.00	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ 1,700.00	\$ -	\$ 1,700.00	
6. Travel	\$ 4,000.00	\$ -	\$ 4,000.00	
7. Occupancy	\$ 8,000.00	\$ -	\$ 8,000.00	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ 1,642.00	\$ -	\$ 1,642.00	
Postage	\$ 598.00	\$ -	\$ 598.00	
Subscriptions	\$ 500.00	\$ -	\$ 500.00	
Audit and Legal	\$ 1,363.00	\$ -	\$ 1,363.00	
Insurance	\$ 2,525.00	\$ -	\$ 2,525.00	
Board Expenses	\$ 264.00	\$ -	\$ 264.00	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ 300.00	\$ -	\$ 300.00	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ 26,195.00	\$ 26,195.00	
<b>TOTAL</b>	<b>\$ 183,823.00</b>	<b>\$ 26,195.00</b>	<b>\$ 210,018.00</b>	

**Indirect As A Percent of Direct** 14.25%

*LUC*  
5/14/13

**Budget Justification-TAG 2/1/12 to 9/30/12**

	<b>In-Kind Amount</b>	<b>Amount</b>	<b>Explanation</b>
<b>Personnel</b>		\$30,736	1 FTE (Education-Employment Specialist) at \$30,000 for 3 months; 1 FTE (Education-Employment Specialist) at \$30,000 for 2 months; 1 FTE (Education-Employment Specialist) at \$30,000 for 1.5 months; .3 FTE (Job Developer) at \$35,700 for 3 months; .15 FTE (Regional Support Administrator) at \$30,000 for 3 months; .15 FTE (Program Manager) at \$47,500 for 3 months; .084 FTE (Program Director) at \$58,000 for 3 months
<b>Employee Benefits</b>		\$6,916	Benefits calculated at 22.5%
<b>Consultants</b>		\$20,090	\$20,000 to Bhutanese Community of New Hampshire and \$90.00 Interpreter/Translation costs
<b>Equipment</b>		\$1,324	Represents the portion for the Targeted Assistance Grant Program (12%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Supplies</b>		\$1,516	Represents the portion for the Targeted Assistance Grant Program (12%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Travel</b>		\$2,965	7,059.50 miles at .42 per mile
<b>Occupancy</b>		\$5,263	Represents the portion for the Targeted Assistance Grant Program (12%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Telephone</b>		\$1,554	Represents the portion for the Targeted Assistance Grant Program (12%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Postage</b>		\$97	Represents the portion for the Targeted Assistance Grant Program (12%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Subscriptions</b>		\$16	Represents the portion for the Targeted Assistance Grant Program (12%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Audit and Legal</b>		\$1,309	Represents the portion for the Targeted Assistance Grant Program (12%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Insurance</b>		\$1,774	Represents the portion for the Targeted Assistance Grant Program (12%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Board Expenses</b>		\$186	Represents the portion for the Targeted Assistance Grant Program (12%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Staff Education and Training</b>		\$2,918	Conference and workshop fees
<b>Client Assistance</b>		\$2,095	Driver's Education at \$585 x 3 clients + one time client emergency assistance at \$340
<b>Total Direct Charges</b>		\$78,759	
<b>Indirect Costs</b>		\$11,223	Indirect is calculated at 14.25%. Administration and support (management and general) costs are aggregated by the Parent organization (LSSNE) and allocated to its subsidiaries and programs annually. These costs include expenditures related to the executive management of the organization, general financial reporting and record keeping, business management,

*LAC*  
5/14/13

			<p>payroll and benefit administration as well as other supportive service expenses. At no time do these expenditures include the cost of direct supervisory staff (budgeted directly by the program) or fund-raising expense. LSSNE models its allocation on guidance provided in OMB Circular A-122. While it does not conform exactly to one of the four methods listed in the UFR preparation guide, the management and general expenses are allocated using a two tiered approach which most closely mirrors the Modified Direct Method of allocation. First, all allowable overhead is separated based upon total direct salary and wages across all service lines of LSSNE. Currently, that includes Nursing Homes, Housing Facilities, Good News Garage, In-Home Care, Services for New Americans, Disability Services and Child and Family Services. A second allocation is then performed that assigns each entity or program within the service lines its proportionate share of cost based upon direct, allowable budgeted expense. Any budgeted expenses that can distort the true cost of administering the entity or program are excluded from the distribution percentage. Examples of these items are: client and caregiver reimbursement or stipends, client allowances, expenses related to in-kind service or any other items that would inflate the budgeted expenses of the reporting division.</p>
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**Budget Justification-TAG 10/1/13 to 9/30/13**

	<b>In-Kind Amount</b>	<b>Amount</b>	<b>Explanation</b>
<b>Personnel</b>		\$105,250	3 FTE's at \$30,000 and .25 FTE at \$30,000 for Education-Employment Specialists; .10 FTE at \$30,000 for Regional Support Administrator; and .10 FTE at \$47,500 for Program Manager
<b>Employee Benefits</b>		\$23,681	Benefits calculated at 22.5%
<b>Consultants</b>		\$30,000	Bhutanese Community of New Hampshire--subcontractor
<b>Equipment</b>		\$4,000	Represents the portion for the Targeted Assistance Grant Program (14%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Supplies</b>		\$1,700	Represents the portion for the Targeted Assistance Grant Program (14%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Travel</b>		\$4,000	9,524 miles at .42 per mile
<b>Occupancy</b>		\$8,000	Represents the portion for the Targeted Assistance Grant Program (14%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Telephone</b>		\$1,642	Represents the portion for the Targeted Assistance Grant Program (14%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Postage</b>		\$598	Represents the portion for the Targeted Assistance Grant Program (14%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Subscriptions</b>		\$500	Represents the portion for the Targeted Assistance Grant Program (14%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Audit and Legal</b>		\$1,363	Represents the portion for the Targeted Assistance Grant

  
 5/14/13

			Program (14%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Insurance</b>		\$2,525	Represents the portion for the Targeted Assistance Grant Program (14%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Board Expenses</b>		\$264	Represents the portion for the Targeted Assistance Grant Program (14%) in the overall program budget (which has several cost centers) for Services for New Americans of LSS.
<b>Staff Education and Training</b>		\$300.00	Anticipated cost for local training/conference registration fees
<b>Total Direct Charges</b>		\$183,823	
<b>Indirect Costs</b>		\$26,195	Indirect is calculated at 14.25%. Administration and support (management and general) costs are aggregated by the Parent organization (LSSNE) and allocated to its subsidiaries and programs annually. These costs include expenditures related to the executive management of the organization, general financial reporting and record keeping, business management, payroll and benefit administration as well as other supportive service expenses. At no time do these expenditures include the cost of direct supervisory staff (budgeted directly by the program) or fund-raising expense. LSSNE models its allocation on guidance provided in OMB Circular A-122. While it does not conform exactly to one of the four methods listed in the UFR preparation guide, the management and general expenses are allocated using a two tiered approach which most closely mirrors the Modified Direct Method of allocation. First, all allowable overhead is separated based upon total direct salary and wages across all service lines of LSSNE. Currently, that includes Nursing Homes, Housing Facilities, Good News Garage, In-Home Care, Services for New Americans, Disability Services and Child and Family Services. A second allocation is then performed that assigns each entity or program within the service lines its proportionate share of cost based upon direct, allowable budgeted expense. Any budgeted expenses that can distort the true cost of administering the entity or program are excluded from the distribution percentage. Examples of these items are: client and caregiver reimbursement or stipends, client allowances, expenses related to in-kind service or any other items that would inflate the budgeted expenses of the reporting division.

*LR*  
5/14/13

**Lutheran Community Services, Inc.**  
**14 East Worcester Street, Suite 300, Worcester, MA 01604**  
**Phone 774-243-3900 – Fax 508-519-5908**

**Board of Directors**  
**2012 – 2013**

All directors were elected to one year terms to begin July 1, 2012 and to remain in effect until the next annual meeting.

Jeff Kinney, Chair  
Garth Greimann, Financial Secretary  
Karen Gaylin, Secretary  
Angela Bovill  
Don Sweet  
The Rev. Carl J. Anton  
Gail Bucher  
William Swanson  
David Forsberg

x

## **Lutheran Social Services of New England Mission Statement and Values**

### **Mission Statement**

In response to Christ's love, Lutheran Social Services of New England serves and cares for people in need.

### **Values**

In response to Christ's love, Lutheran Social Services of New England invites people of good will to join in our mission.

Affirms the worth of each person

Promotes a caring and respectful workplace

Excels in service through its employees and volunteers

Practices good stewardship of its resources

Advocates for social justice

*In response to Christ's love, Lutheran Social Services serves and cares for people in need.*

# LSS Services for New Americans

A Program of Lutheran Social Services

## **Lutheran Community Services, Inc. Targeted Assistance Grant FY 2012**

### **Key Personnel**

Ashley Compagna: Education-Employment Specialist  
\$30,000.00 Salary  
\$15,000.00 charged to contract. Represents .50 FTE  
Benefits = \$3,450.00

Bethany Seremet: Education-Employment Specialist  
\$30,000.00 Salary  
\$22,500.00 charged to contract. Represents .75 FTE  
Benefits = \$5,175.00

Emily Rose Bainton: Education-Employment Specialist  
\$30,000.00 Salary  
\$30,000.00 charged to contract. Represents 1 FTE  
Benefits = \$6,900.00

TBA: Program Manager  
\$ 47,500.00 Salary  
\$2,375.00 charged to contract. Represents .05 FTE  
Benefits = \$546.00



- Assisted the lead teacher with preparation of materials for lessons
- Performed various administrative tasks such as filing student records and aiding with the completion of assessments
- Provided interpretation at PTA and parent-teacher meetings

**University of New Hampshire  
Durham, NH**

**September 2009 – May 2010**

**Spanish Teacher**

- Taught Spanish I for two semesters to university students
- Prepared and managed attendance and grade spreadsheets using Microsoft Excel
- Prepared presentations for lectures using Microsoft PowerPoint

**Education**

- **Master of Arts in Spanish**  
University of New Hampshire, Durham, NH, 2012  
Graduated Summa cum laude
- **Bachelor of Arts in Spanish, Classical Studies minor**  
University of New Hampshire, Durham, NH, 2009  
Graduated Summa cum laude
- Medical interpreter training through Boston Public Health Commission, 60 hours, obtained certificate of completion, 2011

**Licenses and Certifications**

- Certified to teach Spanish grades 6-12 in the Commonwealth of Massachusetts
- CPR certified
- First Aid certified

**Languages**

- Proficient reading and writing skills in English and Spanish



# Beth Seremet

## **Education**

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August 2010- May 2012

Regent University

Virginia Beach, VA

### **Master's of Government: International Politics & Global Economics**

#### Relevant Courses:

- International Human Rights.
- International Democratic Development.
- The International Economy.
- Non-profit Management.
- Non-profit Fundraising.
- Hemispheric Integration.
- Public Budgeting and Taxation.

August 2006-May 2010

Regent University

Virginia Beach, VA

### **Bachelor's of Arts in Communication Studies**

#### Relevant Courses:

- Communication Ethics
- PR & Marketing
- Cross Cultural Communication
- Small group Communication
- Interpersonal Communication
- Organizational Communication
- Public Speaking

## **Presentations**

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- 2012 Case Study: U.S based non-profit's take on Japan's tsunami crisis
- 2011: Poverty's role in human trafficking in Southeast Asia.
- 2011: "Charity: Not as Simple as 'Love your Neighbor'"
- 2011: "Poverty Fueling Forced Sterilization"
- 2010: "The Many Approaches to Poverty Reduction"

## **References**

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Michele Wilcher. Associate Director of Undergraduate Admissions. Regent University. Supervisor. 1000 Regent University Drive, Virginia Beach, VA 23464. 757.352.4845.

Leigh Anne Giblin. Associate Director of Marketing & Communications. Regent University. 1000 Regent University Drive, Virginia Beach, VA 23464. 757.352.4399

Roberty Dyer PhD. Virginia Beach City Council Member since 2004. Professor at Regent University. 757.352.4745.

# Emily Rose Bainton, MS



## Profile

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Motivated, creative and self starting professional with a diverse background both educationally and professionally. A quick learner and hard worker able to thrive in both independently focused and team oriented work environments. A demonstrated ability to effectively time manage, oversee others and multitask with ease.

Tech savvy with an ability to successfully clarify technological information and trends to colleagues of all backgrounds in a straightforward and user-friendly way.

Able to identify and solve problems analytically, with flexibility and open-mindedness. Versatile, resourceful and most importantly, possessing the ability to keep an even keel and a grounded sense of humor under even the most stressful of situations.

## Skills Summary

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- |                              |                        |                             |
|------------------------------|------------------------|-----------------------------|
| ◆ Cultural Competence        | ◆ Computer Proficiency | ◆ General Office Operations |
| ◆ Communications & PR        | ◆ Customer Service     | ◆ Design and Layout         |
| ◆ Events Planning            | ◆ Time Management      | ◆ Collaborative Teamwork    |
| ◆ Report Preparation         | ◆ Strategic Vision     | ◆ Problem Solving           |
| ◆ Professional Presentations | ◆ Plan Implementation  | ◆ Supervision/Support       |

## Education

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### **NEW ENGLAND COLLEGE SCHOOL OF GRADUATE AND PROFESSIONAL STUDIES '08**

Master of Science- Business Management and Strategic Leadership

### **NEW ENGLAND COLLEGE '07**

Bachelor of Arts- Criminal Justice, Social Work Specialization

## Professional Experience

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### **Lutheran Social Services**

**Services for New Americans**, Education and Employment Specialist, Concord, New Hampshire

*August 2012-Present*

Responsible for a range of refugee resettlement activities in the state of New Hampshire including, but not limited to: Job training, employment counseling, job placement assistance, employer development, customer service, and various administrative tasks. Duties also include assessing needs and setting up and performing training activities for refugees that help to assimilate them to the American employment process, financial literacy, and daily living.

### **Wediko Childrens Services**, Assistant Teacher, Windsor, NH

*August 2010-March 2012*

Worked closely with a team of teachers and school staff to provide specialized education to students living at a residential school and treatment program for emotionally and socially disturbed young men. Practiced and mirrored appropriate daily living skills within a dormitory setting and appropriate school skills within the confines of a self-contained special education school setting.

### **PlusTime NH**, AmeriCorps VISTA member, Concord, New Hampshire

*July 2009-July 2010*

Involved in efforts with education professionals on NH high school redesign and "Extended Learning Opportunities", events planning and PR for large events, collaborating with other non-profit agency's on creating and sustaining "Refugee Resettlement Guide" and many other special projects. Grantwriting and research for alternative funding and revenue streams. General office and clerical responsibilities including reporting out, phones, filing and wide-ranging organization of the office.

### **New England College Admissions**, Graduate Assistant, Henniker, New Hampshire

*September 2008-June 2009*

Responsible for various administrative tasks including but not limited to events planning for college visits, information sessions and open houses, application review/scholarship decisions, excel reporting to be used by administration, clerical and administrative work and general office operations.

### **United States Peace Corps**, Peace Corps Volunteer, Malawi, Southern Africa

*May 2007-August 2007*

Created and oversaw a vitamin distribution program in the Masamkembewa village health center and began expansion of aforementioned program into other villages. Learned and mastered a tribal language within the two month training period. Participated in over 30 trainings on healthcare practices and prevention of AIDS in Sub-Saharan Africa and the developing world. Participated in presentations about health and wellbeing for villagers and in-country health care professionals.

***References available upon Request***



**STATE OF NEW HAMPSHIRE**  
**DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
**OFFICE OF MINORITY HEALTH & REFUGEE AFFAIRS**

Nicholas A. Toumpas  
 Commissioner

Trinidad L. Tellez  
 Director

97 PLEASANT STREET, CONCORD, NH 03301-3857  
 603-271-3986 1-800-852-3345 Ext. 3986  
 Fax: 603-271-0824 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

February 22, 2012

His Excellency, Governor John H. Lynch  
 and the Honorable Executive Council  
 State House  
 Concord, NH 03301

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Office of Minority Health and Refugee Affairs to enter into a **retroactive** contract with Lutheran Community Services, Inc., (VC#222201, B001), Concord, NH 03301, in the amount not to exceed \$300,000.00 to provide direct services to New Hampshire refugees effective retroactive to February 1, 2012 through September 29, 2013. Funds as identified below are available in State Fiscal Year 2012 and State Fiscal Year 2013 and anticipated to be available in State Fiscal Year 2014, with authority to adjust amounts if needed and justified between State Fiscal Years:

05-95-95-950010-5976 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: COMMISSIONER, OFFICE OF THE COMMISSIONER, REFUGEE TARGETED ASSISTANCE

SFY	Appropriation	Class/Object	Class Title	Amount
2012	010-095-59760000	102-500731	Contracts for Program Services	\$ 93,750.00
2013	010-095-59760000	102-500731	Contracts for Program Services	\$ 168,750.00
2014	010-095-59760000	102-500731	Contracts for Program Services	\$ 37,500.00
Total				\$ 300,000.00

**EXPLANATION**

This contract is retroactive due to the limited staff capacity of both the contracting office and the vendor to complete the procurement and contracting requirements. Funds are derived from the annual refugee social services allocation to New Hampshire from the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Refugee Resettlement.

Lutheran Community Services, Inc. continues to provide support to refugees in Concord, Laconia, Manchester and Nashua as part of their role in the community as a voluntary resettlement agency. Lutheran Community Services, Inc. understands that it currently is not under contract to provide these services and may not be compensated for work done if this contract is not approved. If Governor and Executive Council should not approve the contract, Lutheran Community Services, Inc. would need to discontinue services and as a result there would be no employment, case management, cultural adjustment or vocational training services for refugees within the post-resettlement period of 6-60 months after arrival. Without these support services, many refugees would be unable to sustain self-sufficiency.

Under this contract, Lutheran Community Services agrees to provide employment, case management, cultural adjustment and vocational training services to those refugees residing and to be resettled in Concord, Laconia,

Manchester and Nashua. Services will be provided on a priority basis to those refugees residing in the United States longer than 6 months and fewer than 60 months who are ineligible for Temporary Aid to Needy Families or other cash benefits. It is estimated that 540 individuals will be served during the contract period. The project will emphasize those activities leading directly to employment.

Funds are derived from a grant made available through the federal Office of Refugee Resettlement through the Refugee Targeted Assistance Program. The amount of the contract was determined based on the proposal design that was in adherence to the goals in the Office of Refugee Resettlement Request for Proposals and the subsequent grant award that was made available for the Refugee Targeted Assistance Employment Project, for the first year and anticipated award to be made available for the approved project period ending September 29, 2013. The goals and objectives of this contract will focus on services that remove barriers to sustained employment such as vocational training and case management. Services will be provided in a linguistically and culturally sensitive manner and will address the needs of the family unit as a whole.

The Request for Proposals was advertised in the New Hampshire Union Leader for three days, December 4, 5 and 6, 2011. In addition, Requests for Proposals were mailed to three organizations (list attached) believed qualified to provide these services. The Office of Minority Health and Refugee Affairs received three proposals and made one award. A selection team composed of two Office of Minority Health and Refugee Affairs staff and one faculty member from New Hampshire Technical Institute were selected to evaluate each proposal based upon their knowledge about the Refugee Program and refugee concerns throughout the state. Each member of the selection team ranked the bidders numerically based upon the criteria as outlined in the Request for Proposal. A Bidders Summary including the list of bidders and the Review Criteria matrix with final scores is attached. Of the three applicants, two organizations, the International Institute of Boston and Farm Workers' Council of New England were not funded. Lutheran Community Services, Inc. was selected because their proposal successfully addressed goals outlined in the Request for Proposals.

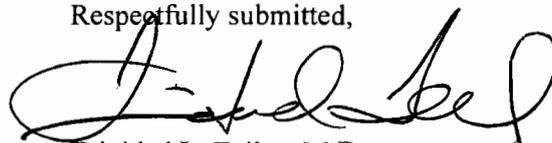
Performance for this contract will be monitored through annual monitoring and trimester reporting of activities and outcomes as described in the scope of services.

Area served: Concord, Laconia, Manchester, Nashua

Source of Funds: One hundred percent Federal Funds from the federal Office of Refugee Resettlement.

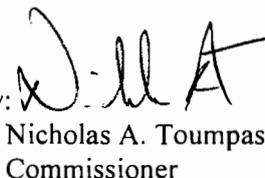
In the event that Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Trinidad L. Tellez, M.D.  
Director

Approved by:



Nicholas A. Toumpas  
Commissioner

Requests for Proposals mailed to the following organizations:

International Institute of Boston

Lutheran Community Services

Somali Development Center

Bhutanese Community of New Hampshire

Program Name Refugee Discretionary TAG

Contract Purpose \_\_\_\_\_

RFP Scoring Detail

1						
International Institute	Max Pts	DH	GM	BS	Total	
RFP Criteria	20	15	20	17	17.3	
Need	30	20	25	22	22.3	
Approach	30	20	25	25	23.3	
Results	20	15	15	16	15.3	
Budget	100	70	85	80	78.3	

2						
Lutheran Social Services	Max Pts	DH	G.M	BS	Total	
Criteria	20	20	20	19	19.7	
Need	30	30	25	28	27.7	
Approach	30	25	25	28	26.0	
Results	20	20	20	18	19.3	
Budget	100	95	90	93	92.7	

3						
NE Farm Worker's Council	Max Pts	DH	G.M	BS	Total	
Criteria	20	15	15	10	13.3	
Need	30	20	15	15	16.7	
Approach	30	25	15	15	18.3	
Results	20	15	10	15	13.3	
Budget	100	75	55	55	61.7	

4						
Bidder Name, Town, St	Max Pts	Review Nam	Review Nam	Review Nam	Review Nam	Total
Criteria	20					0.0
Need	30					0.0
Approach	30					0.0
Results	20					0.0
Partnership	#REF!					0.0
#REF!	#REF!	0	0	0	0	0.0

5						
Bidder Name, Town, St	Max Pts	Review Nam				
Criteria	20					
Experience and Capacity	30					
Approach	30					
Target Population	20					
Partnership	100	0	0	0	0	0

6						
Bidder Name, Town, St	Max Pts	Review Nam				
Criteria	20					
Experience and Capacity	30					
Approach	30					
Target Population	20					
Partnership	100	0	0	0	0	0

7						
Bidder Name, Town, St	Max Pts	Review Nam				
Criteria	20					
Experience and Capacity	30					
Approach	30					
Target Population	20					
Partnership	100	0	0	0	0	0

8						
Bidder Name, Town, St	Max Pts	Review Nam				
Criteria	20					
Experience and Capacity	30					
Approach	30					
Target Population	20					
Partnership	#REF!					
#REF!	#REF!	0	0	0	0	0

Program Name Refugee Discretionary TAG  
 Contract Purpose  
 RFP Score Summary

RFA/RFP CRITERIA	Max Pts	International Institute	Lutheran Social Services	NE Farm Worker's Council	Bidder Name, Town, St				
Need	20	16.00	19.00	13.00	0.00	0.00	0.00	0.00	0.00
Approach	30	21.33	28.33	16.67	0.00	0.00	0.00	0.00	0.00
Results	30	21.33	25.00	18.67	0.00	0.00	0.00	0.00	0.00
Budget	20	15.33	19.00	10.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL POINTS</b>	<b>100</b>	<b>74.00</b>	<b>91.33</b>	<b>58.33</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>BUDGET REQUEST</b>									
Year 01		-	-	-	-	-	-	-	-
Year 02		-	-	-	-	-	-	-	-
Year 03		-	-	-	-	-	-	-	-
Year 04		-	-	-	-	-	-	-	-
<b>TOTAL BUDGET REQUEST</b>									
<b>BUDGET AWARDED</b>									
Year 01		-	-	-	-	-	-	-	-
Year 02		-	-	-	-	-	-	-	-
Year 03		-	-	-	-	-	-	-	-
Year 04		-	-	-	-	-	-	-	-
<b>TOTAL BUDGET AWARDED</b>									

RFP Reviewers		Name	Job Title	Dept/Agency	Qualifications
1		Dawn Higgins	Faculty / Coordinator	NHTI	
2		Germano Martins	Community Relations Mgr	OMHRA/DHHS	
3		Trinidad Tellez	Director	OMHRA/DHHS	
4					
5					
6					
7					
8					
9					
10					

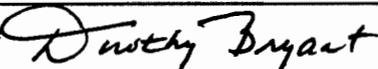
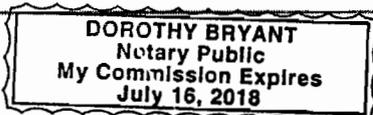
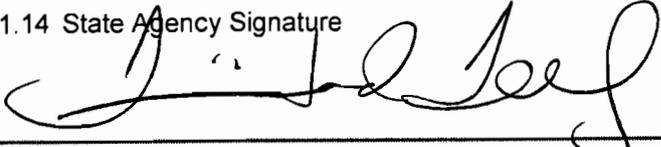
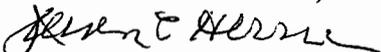
Subject: Lutheran Community Services, Inc. – Refugee Targeted Assistance

**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services Office of Minority Health and Refugee Affairs		1.2 State Agency Address 97 Pleasant Street, Thayer Building Concord, NH 03301	
1.3 Contractor Name Lutheran Community Services, Inc.		1.4 Contractor Address 261 Sheep-Davis Road, Concord, NH 03301	
1.5 Contractor Phone No. (603) 224-8111	1.6 Account Number 05-95-95-950010-5976	1.7 Completion Date September 30, 2013	1.8 Price Limitation \$300,000.00
1.9 Contracting Officer for State Agency Barbara Seebart, Refugee Coordinator		1.10 State Agency Telephone Number (603) 271-8557	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory William Ames, Executive Vice President	
1.13 Acknowledgment: State of <u>NH</u> County of <u>Merrimack</u> On <u>February 24, 2012</u> , before the undersigned officer, personally appeared the person identified in block 1.12., or satisfactorily proven to be the person whose name is signed in block 1.11., and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace 			
[SEAL]			
1.13.2 Name and Title of Notary Public or Justice of the Peace			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Trinidad Tellez, Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)			
By:		Director, On:	
1.17 Approval by Attorney General (Form, Substance and Execution)			
By:  Jeanne P. Herrick, Attorney		On: <u>8 Mar. 2012</u>	
1.18 Approval by the Governor and Executive Council			
By:		On:	

**2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").  
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.**

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.  
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.  
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.  
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.  
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.  
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.  
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.  
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

**8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):  
8.1.1 failure to perform the Services satisfactorily or on schedule;  
8.1.2 failure to submit any report required hereunder; and/or  
8.1.3 failure to perform any other covenant, term or condition of this Agreement.  
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:  
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two

(2) days after giving the Contractor notice of termination;  
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;  
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or  
8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

#### 9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**10. TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

**11. CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

**13. INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of,

based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

#### 14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

#### 15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

**16. WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

**17. NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

**18. AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

**19. CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

**20. THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

**21. HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**22. SPECIAL PROVISIONS.** Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

**23. SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

**Lutheran Community Services, Inc.**

**EXHIBIT A**

**SCOPE OF SERVICES**

Under this contract, Lutheran Community Services Inc. will provide employment, case management, cultural adjustment and vocational training services to refugees in Concord, Laconia, Manchester, and Nashua. Eligible refugees will include those who have been in the United States 6-60 months and are not TANF eligible. The State Refugee Coordinator will monitor the program. This Agreement consists of the following documents: Exhibits A, B, C, C1, D, E, F G, H, I and J which are all incorporated herein by reference as if fully set forth herein.

Services will be defined to include, but not be limited to, the following activities:

1. Research workforce trends to be responsive to needs of employers.
2. Conduct presentations and orientations to 96 local employers.
3. Create and/or review and update employability plans for 540 refugees.
4. Develop and/or update resumes for 540 refugees.
5. Provide additional employment orientation to 540 refugees.
6. Conduct job placement services including identifying job openings, assisting with job applications, arranging job interviews, assisting with transportation for 486 refugees.
7. Conduct post-placement follow-up with employers and 462 refugees at 2 weeks and 90 days after employment.
8. Assist with the removal of barriers to employment such as transportation and childcare for 486 refugees.
9. Provide follow-up assistance on issues including, but not limited to housing, health and/or mental health, language acquisition services, vocational rehabilitation, assistance with accessing public assistance programs, other referrals as necessary to 540 refugees.
10. Conduct cultural competency trainings and presentations to 20 local service organizations in need of such services.
11. Conduct 13 vocational English/job readiness trainings in areas of impact.
12. Recruit, screen, and enroll 195 refugees in Vocational ESOL classes.
13. Submit two semi-annual reports and a final program report, as prescribed by the grantor, the federal Office of Refugee Resettlement, to the New Hampshire Office of Minority Health and Refugee Affairs.
14. The contract will be monitored by the NH Office of Minority Health and Refugee Affairs.

Contractor Initials WPA  
Date 2/24/12

**Lutheran Community Services, Inc.**

**EXHIBIT B**

**CONTRACT PRICE**

In consideration of the satisfactory performance of the Services as determined by the State, the State agrees to pay over to the Contractor, funds not to exceed \$300,000.00.

1. Payments under this contract are not to exceed \$300,000.00 for the contract and project period of February 1, 2012 - September 29, 2013 and not to exceed \$150,000.00 per budget period as defined:

Budget Year 1: February 1, 2012-September 29, 2012

Budget Year 2: September 30, 2012-September 29, 2013

2. Continued funding of the Contract beyond Year 1 is contingent upon the continued sufficient funding of the Refugee Targeted Assistance Grant as awarded by the Administration for Children and Families Office of Refugee Resettlement for the Project Period September 30, 2011 – September 29, 2013.
3. Reimbursements for services provided shall be made by the State on a monthly basis after receipt and review of monthly expenditure reports submitted by Lutheran Community Services, Inc. to the State. These reports, which are based on a budget approved by the State, shall be in a form satisfactory to the State and shall be submitted no later than 30 days after the close of the month.
4. Payments will be made by DHHS within 60 days of receipt of conforming invoice. Final invoices must be submitted by October 31, 2013.

CFDA Title: Refugee and Entrant Assistance - Social Services  
CDFA No: 93.576

Award Name: Refugee Targeted Assistance

Federal Agency: Health and Human Services  
Administration for Children and Families  
Office of Refugee Resettlement

Contractor Initials DHA  
Date 2/24/12

## NH Department of Health and Human Services

## STANDARD EXHIBIT C

SPECIAL PROVISIONS

**1. Contractors Obligations:** The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

**2. Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

**3. Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

**4. Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

**5. Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

**6. Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

**7. Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

**8. Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party fundors for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than

such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party fundors, the Department may elect to:

**8.1** Renegotiate the rates for payment hereunder, in which event new rates shall be established;

**8.2** Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

**8.3** Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

#### **RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:**

**9. Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:

**9.1 Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

**9.2 Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

**9.3 Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

**10. Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

**10.1 Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.

**10.2 Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

**11. Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be

disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

**12. Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.

**12.1 Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.

**12.2 Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

**13. Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**14. Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:

**14.1** The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, \_\_\_\_\_, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

**15. Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

**SPECIAL PROVISIONS – DEFINITIONS**

As used in the Contract, the following terms shall have the following meanings:

**COSTS:** Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

**DEPARTMENT:** NH Department of Health and Human Services.

**FINANCIAL MANAGEMENT GUIDELINES:** Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

**PROPOSAL:** If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

**UNIT:** For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

**FEDERAL/STATE LAW:** Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

**CONTRACTOR MANUAL:** Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

**SUPPLANTING OTHER FEDERAL FUNDS:** The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

**NH Department of Health and Human Services**

**STANDARD EXHIBIT C-I**

**ADDITIONAL SPECIAL PROVISIONS**

**1. Audit Requirement**

In NH DHHS Standard Exhibit C, SPECIAL PROVISIONS item 10. Audit, delete within 60 days and insert within 9 months. This is in line with the Office of Management and Budget Circular A-133.

**2. Reports**

In NH DHHS Standard Exhibit C, SPECIAL PROVISIONS item 12.2. Fiscal Report, delete within (30) days and insert within (60) days.

**4. Contracting Officer for State Agency (Subparagraph 1.9 of the general provisions)**

Barbara Seebart, State Refugee Coordinator, has been designated with the responsibility for overseeing this contract.

**NH Department of Health and Human Services**

**STANDARD EXHIBIT D**

**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

**ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS**

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS**  
**US DEPARTMENT OF EDUCATION - CONTRACTORS**  
**US DEPARTMENT OF AGRICULTURE - CONTRACTORS**

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner  
NH Department of Health and Human Services  
129 Pleasant Street,  
Concord, NH 03301-6505

- (A) The grantee certifies that it will or will continue to provide a drug-free workplace by:
- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
  - (b) Establishing an ongoing drug-free awareness program to inform employees about—
    - (1) The dangers of drug abuse in the workplace;
    - (2) The grantee's policy of maintaining a drug-free workplace;
    - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
    - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will –
  - (1) Abide by the terms of the statement; and
  - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted –
  - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

(B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check  if there are workplaces on file that are not identified here.

Lutheran Community Services, Inc From: 2/1/2012 To: 9/29/2013  
 \_\_\_\_\_  
 (Contractor Name) (Period Covered by this Certification)

William Ames, Executive Vice President  
 \_\_\_\_\_  
 (Name & Title of Authorized Contractor Representative)

 2/24/12  
 \_\_\_\_\_  
 (Contractor Representative Signature) (Date)

Contractor Initials:   
 Date: 2/24/12

NH Department of Health and Human Services

STANDARD EXHIBIT E

CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

- Programs (indicate applicable program covered):
\*Temporary Assistance to Needy Families under Title IV-A
\*Child Support Enforcement Program under Title IV-D
\*Socia Services Block Grant Program under Title XX
\*Medicaid Program under Title XIX
\*Community Services Block Grant under Title VI
\*Child Care Development Block Grant under Title IV

Contract Period: 2/1/2020 through 9/29/2013

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-1.)
(3) The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

[Handwritten Signature]

(Contractor Representative Signature)

William Ames, Executive Vice President
(Authorized Contractor Representative Name & Title)

Lutheran Community Services, Inc.
(Contractor Name)

2/24/12
(Date)

Contractor Initials: [Handwritten Initials]
Date: 2/24/12

**NH Department of Health and Human Services**

**STANDARD EXHIBIT F**

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION  
AND OTHER RESPONSIBILITY MATTERS**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

**INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

Contractor Initials: WHA

Date: 2/24/12

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

**PRIMARY COVERED TRANSACTIONS**

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
  - (b) have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - (c) are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
  - (d) have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

**LOWER TIER COVERED TRANSACTIONS**

By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:

- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
- (b) where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.



William Ames, Executive Vice President

(Contractor Representative Signature)

(Authorized Contractor Representative Name & Title)

Lutheran Community Services, Inc.

(Contractor Name)

2/24/12

(Date)

Contractor Initials: WJA

Date: 2/24/12

**NH Department of Health and Human Services**

**STANDARD EXHIBIT G**

**CERTIFICATION REGARDING**  
**THE AMERICANS WITH DISABILITIES ACT COMPLIANCE**

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.



\_\_\_\_\_  
(Contractor Representative Signature)

William Ames, Executive Vice President

\_\_\_\_\_  
(Authorized Contractor Representative Name & Title)

Lutheran Community Services, Inc.

\_\_\_\_\_  
(Contractor Name)

2/24/12

\_\_\_\_\_  
(Date)

NH Department of Health and Human Services

STANDARD EXHIBIT H

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.



\_\_\_\_\_  
(Contractor Representative Signature)

William Ames, Executive Vice President  
\_\_\_\_\_  
(Authorized Contractor Representative Name & Title)

Lutheran Community Services, Inc.  
\_\_\_\_\_  
(Contractor Name)

2/24/12  
\_\_\_\_\_  
(Date)

## NH Department of Health and Human Services

**STANDARD EXHIBIT I**  
**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 and those parts of the HITECH Act applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

**BUSINESS ASSOCIATE AGREEMENT**

**(1) Definitions.**

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) **Use and Disclosure of Protected Health Information.**

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
  - I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

**(3) Obligations and Activities of Business Associate.**

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

**(4) Obligations of Covered Entity**

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) **Termination for Cause**

In addition to standard provision #10 of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

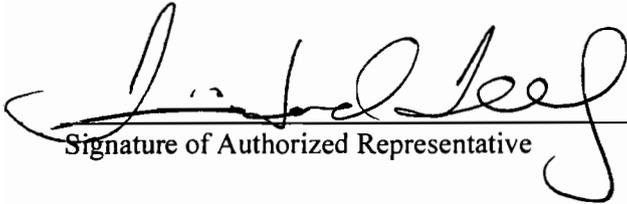
(6) **Miscellaneous**

- a. **Definitions and Regulatory References.** All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. **Amendment.** Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. **Data Ownership.** The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. **Interpretation.** The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. **Segregation.** If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. **Survival.** Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health and Human Services  
The State Agency Name

Lutheran Community Services, Inc.  
Name of the Contractor

  
Signature of Authorized Representative

  
Signature of Authorized Representative

Trinidad Tellez  
Name of Authorized Representative

William Ames  
Name of Authorized Representative

Director  
Title of Authorized Representative

Executive Vice President  
Title of Authorized Representative

3/5/12  
Date

2/24/12  
Date

NH Department of Health and Human Services

STANDARD EXHIBIT J

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND  
TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

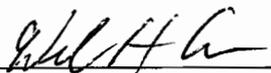
In accordance with 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

- 1) Name of entity
- 2) Amount of award
- 3) Funding agency
- 4) NAICS code for contracts / CFDA program number for grants
- 5) Program source
- 6) Award title descriptive of the purpose of the funding action
- 7) Location of the entity
- 8) Principle place of performance
- 9) Unique identifier of the entity (DUNS #)
- 10) Total compensation and names of the top five executives if:
  - a. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
  - b. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

 \_\_\_\_\_ William Ames, Executive Vice President

(Contractor Representative Signature) (Authorized Contractor Representative Name & Title)

Lutheran Community Services, Inc. \_\_\_\_\_ 2/24/12

(Contractor Name) (Date)

Contractor initials:   
Date: 2/24/12

NH Department of Health and Human Services

STANDARD EXHIBIT J

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 121524099

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO  YES

**If the answer to #2 above is NO, stop here**

**If the answer to #2 above is YES, please answer the following:**

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

NO  YES

**If the answer to #3 above is YES, stop here**

**If the answer to #3 above is NO, please answer the following:**

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: _____	Amount: _____

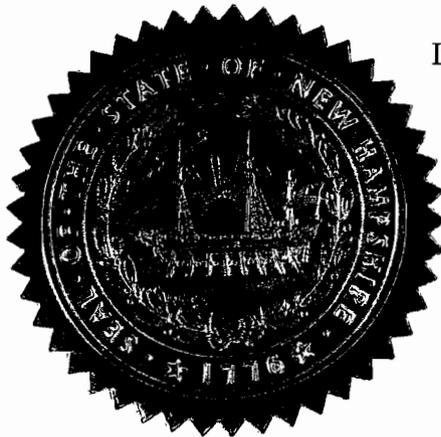
Contractor initials: WHP  
Date: 2/24/12

# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Lutheran Community Services, Inc., a(n) Massachusetts nonprofit corporation, registered to do business in New Hampshire on June 13, 2011. I further certify that it is in good standing as far as this office is concerned, having paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 22<sup>nd</sup> day of September, A.D. 2011

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

Certificate of Vote

I, Alana Geary, Clerk of the Lutheran Community Services, Inc., do hereby certify that:

- (1) I am the duly elected and acting Clerk of Lutheran Community Services, Inc., a Massachusetts corporation (the "Corporation");
- (2) I maintain and have custody of and am familiar with the Seal and minute books of the Corporation;
- (3) I am duly authorized to issue certificates;
- (4) The following are true, accurate and complete copies of the resolutions adopted by the Board of Directors of the Corporation at a meeting of the said Board of Directors held via mail vote on the 4<sup>th</sup> of November, 2010, which meeting was duly held in accordance with Massachusetts law and the by-laws of the Corporation:

**RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting by and through the Department of Health and Human Services, providing for the performance by the Corporation of certain services, and that the President (and Vice President) (and the Treasurer) (or any of them acting singly) be and hereby (is) (are) authorized and directed for and behalf of this Corporation to enter into the said contract with the State and to take any and all such actions to execute, seal, acknowledge and deliver for an on behalf of this Corporation any and all documents, agreements and other instruments (and any amendments, revisions or modifications thereto) as (she) (he) (any of them) may deem necessary, desirable or appropriate to accomplish the same;**

**RESOLVED: That the signature of any officer of this Corporation affixed to any instrument or document described in or contemplated by these resolutions shall be conclusive evidence of the authority of said officer to bind this Corporation thereby.**

The foregoing resolutions have not been revoked, annulled or amended in any manner whatsoever, and remain in full force and effect as of the date hereof; and the following person(s) (has) (have) been duly elected and now occupy the office(s) indicated below.

Heather L. Feltman      President

Bill Ames              Executive Vice President

Angela Wallingford    Executive Vice President

Nicholas Russo        Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand as the Clerk of the Corporation and have affixed its corporate seal this 24<sup>th</sup> day of February, 2012.

Alana Geary  
(Signature)

(Seal)

STATE OF New Hampshire

COUNTY OF Merrimack

On this the 24 day of Feb, 20<sup>12</sup>, before me, Dorothy Bryant, the undersigned officer, personally appeared Alana Geary, who acknowledge

her/himself to be the Clerk, of Lutheran Community Services,  
(Title) (Name of Corporation)

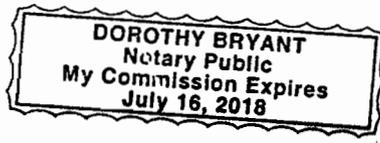
a corporation, and that she/he, as such Clerk being authorized to  
(Title)

do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by her/himself as Clerk.

IN WITNESS WHEREOF I have set my hand and official seal.

Dorothy Bryant  
Notary Public/Justice of the Peace

My Commission expires: \_\_\_\_\_





149653

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
9/19/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Commercial Lines - (212) 682-7500 Wells Fargo Insurance Services of New York Inc., 330 Madison Avenue, 7th Floor New York, NY 10017	CONTACT NAME:	
	PHONE (A/C, No, Extl):	FAX (A/C, No):
	E-MAIL ADDRESS:	
	<b>INSURER(S) AFFORDING COVERAGE</b>	
	INSURER A: Philadelphia Indemnity Insurance Company	NAIC # 18058
INSURED Lutheran Social Services of New England Inc. 888 Worcester Street Suite 160 Wellesley MA 02482	INSURER B: Hartford Insurance Co. of the Midwest	37478
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

**COVERAGES**      **CERTIFICATE NUMBER: 3262900**      **REVISION NUMBER: See below**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC		PHPK752672	08/01/2011	08/01/2012	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 25,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		PPHUB354174	08/01/2011	08/01/2012	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	10WBAC3925	8/12/2011	8/12/2012	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Evidence of Insurance.

**CERTIFICATE HOLDER**

Office of Minority Health and Refugee Affairs  
DHHS-Thayer Building  
97 Pleasant Street  
Concord, NH 03301

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

*Jean Brada*

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ACORD 25 (2010/05)

(This certificate replaces certificate# 3134995 issued on 8/19/2011)

**LUTHERAN COMMUNITY SERVICES OF  
NEW HAMPSHIRE, INC.**

**FINANCIAL STATEMENTS AND  
OMB CIRCULAR A-133 REPORTS**

**YEAR ENDED JUNE 30, 2010**

**LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.**  
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**YEAR ENDED JUNE 30, 2010**

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LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.  
AUDITOR DISCLOSURE INFORMATION  
JUNE 30, 2010

Lead Auditor

Mark Cummings, CPA  
LarsonAllen LLP  
300 Crown Colony Drive, Suite 310  
Quincy, MA 02169  
(617) 984-8100

EIN 41-0746749

# LarsonAllen<sup>LLP</sup>

CPAs, Consultants & Advisors  
www.larsonallen.com

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Lutheran Community Services of New Hampshire, Inc.  
Concord, New Hampshire

We have audited the accompanying statement of financial position of Lutheran Community Services of New Hampshire, Inc. as of June 30, 2010, and the related statements of activities, changes in net assets, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lutheran Community Services of New Hampshire, Inc. as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2011 on our consideration of the Lutheran Community Services of New Hampshire, 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 to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



(2)

An independent member of Nexia International

Board of Directors  
Lutheran Community Services of New Hampshire, Inc.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Lutheran Community Services of New Hampshire, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Larson Allen LLP*  
LarsonAllen LLP

Quincy, Massachusetts  
March 11, 2011

LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.  
STATEMENT OF FINANCIAL POSITON  
JUNE 30, 2010

ASSETS

**CURRENT ASSETS**

Cash and Cash Equivalents	\$	325,396
Accounts Receivable, Net of Allowances		1,537,276
Prepaid Expenses		81,992
Other Current Assets		1,341
Total Current Assets		1,946,005

**ASSETS LIMITED AS TO USE**

Beneficial Interest in Net Assets of Related Party		228,183
--	--	---------

**PROPERTY AND EQUIPMENT**

Land		106,622
Building and Improvements		1,668,358
Leasehold Improvements		13,255
Furniture and Equipment		263,787
Vehicles		45,407
Equipment Under Capital Lease		109,934
Computer Equipment and Software		112,180
Total		2,319,543
Less - Accumulated Depreciation		641,136
Total Property and Equipment, Net		1,678,407

**DUE FROM RELATED PARTIES**

88,892

**OTHER ASSETS**

Deposits		10,292
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Total Assets	\$	3,951,779
--------------	----	-----------

See accompanying Notes to Financial Statements.

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Line of Credit	\$ 500,000
Long-Term Debt - Current Maturities	476,031
Accounts Payable	105,841
Accrued Expenses	470,998
Deferred Revenue	54,688
Due to Third Party	58,510
Provision for Loss Contingency	70,000
Total Current Liabilities	<u>1,736,068</u>

**LONG-TERM DEBT, Net of Current Maturities**

57,018

**DUE TO RELATED PARTIES**

169,002

Total Liabilities

1,962,088

**NET ASSETS**

Unrestricted	1,761,508
Temporarily Restricted	228,183
Total Net Assets	<u>1,989,691</u>

Total Liabilities and Net Assets

\$ 3,951,779

**LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2010**

**REVENUE AND SUPPORT**

Program Service Revenue	
Public Sources	\$ 10,582,586
Private Sources	1,918,201
Net Assets Released from Restrictions Used for Operations	<u>31,302</u>
Total Revenue	<u>12,532,089</u>

**OPERATING EXPENSES**

Salaries and Wages	7,555,526
Employee Benefits	1,346,845
Other Program Expenses	970,897
Professional Fees	713
Occupancy Costs	215,425
Administrative Expenses	1,204,493
Operating Supplies and Expenses	396,949
Travel Expenses	403,493
Custodial Fee	6,614
Depreciation and Amortization	99,962
Interest	<u>60,938</u>
Total Expenses	<u>12,261,855</u>

**INCREASE IN UNRESTRICTED NET ASSETS**

\$ 270,234

*See accompanying Notes to Financial Statements.*

**LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2010**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>NET ASSETS AT JUNE 30, 2009</b>	<b>\$ 2,379,335</b>	<b>\$ 226,416</b>	<b>\$ 2,605,751</b>
Increase in Net Assets from Operations	270,234	-	270,234
Equity Transfer	(888,061)	-	(888,061)
Change in Beneficial Interest in Net Assets of Related Party	-	33,069	33,069
Net Assets Released from Restrictions Used for Operations	-	(31,302)	(31,302)
Change in Net Assets	<u>(617,827)</u>	<u>1,767</u>	<u>(616,060)</u>
<b>NET ASSETS AT JUNE 30, 2010</b>	<b><u>\$ 1,761,508</u></b>	<b><u>\$ 228,183</u></b>	<b><u>\$ 1,989,691</u></b>

*See accompanying Notes to Financial Statements.*

**LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2010**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ (616,060)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation and Amortization	99,962
Equity Transfer	888,061
Change in Beneficial Interest in Net Assets of Related Party	(1,767)
(Increase) Decrease in:	
Accounts Receivable	(226,477)
Other Current Assets	120
Prepaid Expenses	(26,595)
Increase (Decrease) in:	
Accounts Payable	17,689
Accrued Expenses	(19,762)
Deferred Revenue	49,965
Net Cash Provided by Operating Activities	<u>165,136</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of Property and Equipment	<u>(3,742)</u>
Net Cash Used by Investing Activities	(3,742)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Advances from Line of Credit	200,000
Principal Payments on Long-Term Debt	(29,931)
Advances to Related Parties	<u>(297,546)</u>
Net Cash Used by Financing Activities	<u>(127,477)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>33,917</b>
Cash and Cash Equivalents - Beginning of Year	<u>291,479</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ <u>325,396</u></b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>	
Cash Paid for Interest	<u>\$ 60,938</u>
<b>NON-CASH FINANCING ACTIVITIES:</b>	
Change in Related Party Loans	\$ 590,515
Less: Equity Transfer	(888,061)
Cash Advanced to Related Parties	<u>\$ (297,546)</u>

See accompanying Notes to Financial Statements.

**LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2010**

	<u>Total</u>	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>
Salaries and Wages	\$ 7,555,526	\$ 7,555,526	\$ -	\$ -
Employee Benefits	1,346,845	1,346,845	-	-
Other Program Expenses	970,897	970,897	-	-
Professional Fees	713	-	-	713
Occupancy Costs	215,425	176,734	-	38,691
Administrative Expenses	1,204,493	-	93,288	1,111,205
Operating Supplies and Expenses	396,949	396,949	-	-
Travel Expenses	403,493	403,493	-	-
Custodial Fee	6,614	-	6,614	-
Interest	60,938	41,713	-	19,225
Total Before Depreciation and Amortization	<u>12,161,893</u>	<u>10,892,157</u>	<u>99,902</u>	<u>1,169,834</u>
Depreciation and Amortization	<u>99,962</u>	<u>61,524</u>	<u>-</u>	<u>38,438</u>
Total Functional Expenses	<u>\$ 12,261,855</u>	<u>\$ 10,953,681</u>	<u>\$ 99,902</u>	<u>\$ 1,208,272</u>

See accompanying Notes to Financial Statements.

**LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Lutheran Community Services of New Hampshire, Inc. (the Organization) is a New Hampshire corporation exempt from tax under Section 501(c)(3) of the Internal Revenue Code as a public charity. The Organization provides services to children, families, refugees, and developmentally disabled adults. Lutheran Social Services of New England, Inc. (LSSNE) is the sole corporate member of the Organization.

The Organization provides the following programs:

**Social Services** – through a variety of programs, the Organization provides services related to therapeutic foster care, small group homes serving teenagers, various support services and living accommodations for developmentally, physically and mentally disabled adults and other various social support programs.

**Refugee Services** – through this program, the Organization seeks to provide resettlement, employment, case management, medical case management, English as a second language classes, and other support services to refugees, asylees, and immigrants.

**Adoption**– through this program, the Organization provides services related to domestic and international adoptions.

**Method of Accounting**

The financial statements of the Organization have been prepared on the accrual method of accounting. Accordingly, assets are recorded when the Organization obtains the rights of ownership or is entitled to claims for receipt and liabilities are recorded when the obligation is incurred.

**Cash and Cash Equivalents**

The Organization considers all short-term debt securities purchased with an original maturity of three months or less to be cash equivalents.

**Accounts Receivable**

Accounts receivable are recorded net of an allowance of expected losses. The allowance is estimated from historical performance and projections of trends. Credit is extended to customers and collateral is not required. When the accounts become past due, historically, the Organization has not charged interest to these accounts.

**Program Service Revenue**

Program service revenue is recognized as costs are incurred and services are provided.

LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

**Property and Equipment**

Property and equipment are recorded at cost. Assets with an estimated useful life of more than one year and a historical cost in excess of \$2,500 are capitalized. The Organization capitalizes acquisitions and improvements, while expenditures for maintenance and repairs that do not extend the useful lives of the assets are charged to operations. Donated property and equipment is recorded at its fair market value at date of donation. Gifts of long-lived assets are reported as unrestricted support unless donor stipulations specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulation about how long those assets must be maintained, expiration of donor restrictions are reported when the donated or acquired long-lived assets are placed into service. Depreciation is computed using the straight-line method over the estimated useful life of the assets

**Net Assets**

Net assets of the Organization are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently Restricted Net Assets - Include contributions which require by donor restriction that the corpus be invested in perpetuity and only the income be made available for operations in accordance with donor restrictions.

**Recognition of Donor Restrictions**

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Deferred Revenue**

Deferred revenue consists primarily of advances received from state and federal agencies for initial funding of programs. Amounts will be recognized as revenue as these programs incur the related expenditures.

**Use of Estimates**

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

LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**NOTE 1 ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Advertising Costs**

Promotional advertising costs are expensed as incurred; the amount charged to operations for the year ended June 30, 2010 amounted to \$22,399.

**Functional Allocation of Expenses**

The cost of providing the various programs and services are summarized on a functional basis. Costs are generally identified as to program site, and are then allocated between programs and supporting services that benefited.

**Income Taxes**

The Organization is a not-for-profit corporation as described in section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to section 501(a) of the code. Should that status be challenged in the future, the Organization's 2007 through 2010 tax years are open for examination by the IRS.

**Fair Value Measurements**

In accordance with professional standards, assets and liabilities measured and recorded at fair value are required to be categorized into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I) and the lowest priority to unobservable inputs (Level III). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities measured and recorded at fair value by the Organization are categorized as follows:

**Level I** – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

**Level II** – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

**Level III** – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 11, 2011, the date the financial statements were available to be issued.

**LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 2 ASSETS LIMITED AS TO USE**

**Beneficial Interest in Net Assets of Related Party**

The Organization records its beneficial interest in the assets of Lutheran Social Service of New England Foundation, Inc. (LSSNEF) for funds being held by LSSNEF on behalf of the Organization.

**NOTE 3 RELATED PARTY TRANSACTIONS**

The Organization has entered into the following transactions with related parties:

a.) The Organization's parent company is Lutheran Social Services of New England (LSSNE). The Organization is charged annually for accounting, management services, and overhead from LSSNE in monthly installments. In fiscal 2010, charges to operations amounted to approximately \$1,109,000. In addition to certain non-financial services, LSSNE is the central contracting entity for insurance coverage, and insurance costs are then billed monthly to the Organization.

b.) The Organization is also charged by LSSNE for employee benefits, human resources, insurance and other operations management costs. Charges to operations for these services amounted to approximately \$95,000 in 2010.

c.) In connection with soliciting and managing donations received, Lutheran Social Services of New England Foundation, Inc. charged the Organization a custodial fee of \$6,614 in 2010.

d.) Related party loans that bear no interest and have no fixed repayment terms, are as follows:

Due from Related Parties:	
Lutheran Home of Southbury, Inc.	\$ 58,093
Lutheran Social Services of New England, Inc.	30,799
Total	<u>\$ 88,892</u>
Due to Related Parties:	
Lutheran Home of Worcester, Inc.	\$ 53,377
Good News Garage - LSS, Inc.	115,625
Total	<u>\$ 169,002</u>

**NOTE 4 DEFINED CONTRIBUTION PENSION PLAN**

Lutheran Social Services of New England sponsors a defined contribution thrift plan qualifying under Internal Revenue Code Section 403(b) in which the Organization participates. The thrift plan permits discretionary employer contributions based on a specified percentage of annual compensation and employee contributions. The Organization's contributions to the plan amounted to \$21,415 for the fiscal year ended June 30, 2010.

**LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 5 ACCOUNTS RECEIVABLE**

The accounts receivable balance consisted of the following at June 30, 2010:

Accounts Receivable, General	\$ 1,553,464
Less: Allowance for Doubtful Accounts	<u>(16,188)</u>
Accounts Receivable, Net	<u>\$ 1,537,276</u>

**NOTE 6 CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of the following:

**Cash and Cash Equivalents**

The Organization maintains cash and cash equivalent balances in several federally insured financial institutions in the same geographic area as well as a money market fund. Cash and cash equivalents exceeding federally insured limits at June 30, 2010 amounted to \$136,589.

**Beneficial Interest in Net Assets of Related Party**

The Organization's unsecured gifts, held by a related party, amounted to \$228,183 at June 30, 2010.

**Major Customer**

The Organization received approximately 62% of its revenue from Medicaid for fiscal year 2010. At June 30, 2010, approximately 35% of the accounts receivable balance was due from Medicaid.

**Due from Related Parties**

The Organization extends unsecured credit to its affiliates. The balance due from related parties totaled approximately \$89,000 at June 30, 2010. See Note 3 for further details.

**NOTE 7 PROPERTY AND EQUIPMENT**

The useful lives of property and equipment for purposes of computing depreciation are:

Building and Improvements	40 Years
Leasehold Improvements	7 - 10 Years
Equipment, Furniture and Fixtures and Vehicles	3 - 20 Years
Equipment under Capital Lease	3 - 5 Years
Computer Equipment and Software	3 Years

Depreciation and amortization (including amortization of equipment under capital lease) expense charged to operations was \$99,962 in 2010.

**LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 8 LINE OF CREDIT**

The Organization has available a demand line of credit with TD Bank for \$500,000, bearing interest at the Wall Street Journal Prime Rate adjusted daily; with a floor of 4.0% annually (4% at June 30, 2010). The Organization had an outstanding balance on the line of credit at June 30, 2010 of \$500,000. The line of credit is due on demand.

**NOTE 9 LONG TERM DEBT**

The Organization is liable on long-term debt at June 30, 2010 as follows:

Long-Term Debt

Mortgage payable to TD Bank, secured by all business assets, in monthly principal and interest payments of \$4,225 through May 2011 and a balloon payment of all principal and accrued interest not yet paid due in June 2011, with a variable interest rate calculated on the unpaid principal balances at the Five Year Home Loan Bank

\$ 461,765

Mortgage payable to TD Bank for the Antrim Girls Shelter in monthly principal and interest payments of \$1,520 through December 17, 2014 with a fixed interest rate of 6.5%, secured by the building and all equipment contained

71,284

Total

533,049

Less: Current Maturities

(476,031)

Long-Term Debt

\$ 57,018

Following are current maturities for the next five years:

<u>Year Ending June 30.</u>	<u>Current Maturities</u>
2011	\$ 476,031
2012	14,868
2013	15,895
2014	16,993
2015	9,262

**NOTE 10 DUE TO THIRD PARTY**

The Organization is reflecting an estimated liability in the amount of \$58,510, due to the Department of Children, Youth and their Families (DCYF) resulting from reported overpayments that date back to 2005. The liability is reflected on the Statement of Financial Position under the caption "Due to Third Party".

**LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 11 OPERATING LEASES**

The Organization leases land, buildings and equipment under operating lease agreements with terms of one to ten years. Total rent and related expenses for the year ended June 30, 2010 amounted to approximately \$140,000.

Future minimum lease payments under these agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 129,495
2012	143,284
2013	146,150
2014	24,438
Total	<u>\$ 443,367</u>

**NOTE 12 EQUITY TRANSFER**

Effective June 30, 2010 LSSNE's board of directors passed a resolution which forgave the related party loan balance due from Lutheran Community Services of Massachusetts Inc. and due to Lutheran Community Services of Maine, Inc. in the amount of \$(996,425) and \$108,364, respectively, for a net amount totaling \$(888,061). Due to the lack of economic value and approval by the controlling organization of all entities, the transaction has been recorded as an equity transfer.

**NOTE 13 CONTINGENCIES**

A significant portion of the Organization's net revenues and accounts receivable are derived from services reimbursable under Medicaid programs. Due to budgetary constraints at the state level, the Organization cannot determine whether these will be changes in the program funding by Medicaid in the near term.

The Organization was previously covered by a retrospective workers compensation and employer's liability insurance policy. Under such a policy, the ultimate premium is based on the Organization's loss experience. In addition, the Organization accrues estimated losses for asserted and unasserted claims in excess of the minimum premium up to any stipulated maximum per the policy. The Organization's policy contained a loss limitation provision of \$250,000 per incident. As of June 30, 2010 there is an open asserted claim for which management has identified \$70,000 worth of estimated costs. A provision for these identified costs has been recorded in the financial statements. In addition, there are potential additional costs related to this claim for which management cannot estimate, thus no provision has been recorded. The maximum amount of the additional claims considering the loss limitation is \$146,000. Management is unaware of any additional unasserted claims as of June 30, 2010, thus any financial impact related to such claims cannot be determined at this time.

A claim has been filed against the Organization with the New Hampshire Human Rights Commission. The Organization is vigorously defending this claim as they believe the claim is without merit. The likelihood of a favorable or unfavorable outcome cannot be determined at this time; accordingly, no provision has been recorded in the financial statements.

**LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 14 FAIR VALUE MEASUREMENT**

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Fair value measurement is based on quoted market prices. For additional information on how the Organization measures fair value refer to Note 1 – Organization and Summary of Significant Accounting Policies.

The following table presents the Organization's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2010:

	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
<b>Beneficial Interest in Net Assets of Related Party</b>				
Cash Equivalents	\$ 228,183	\$ 228,183	\$ -	\$ -
Total	<u>\$ 228,183</u>	<u>\$ 228,183</u>	<u>\$ -</u>	<u>\$ -</u>

**LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2010**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<b>Department of Health &amp; Human Services</b>		
Pass-Through Office of Refugee Resettlement CWS - Matching Grant	93.567	* \$ 90,000
Pass-Through Office of Refugee Resettlement EMM - Matching Grant	93.567	* 100,000
Pass-Through Office of Refugee Resettlement LIRS - Matching Grant	93.567	* 58,900
Pass-Through Office of Refugee Resettlement Community Integration Preferred Communities Grant	93.576	55,313
Pass-Through Office of Energy and Planning Refugee Social Services	93.566	36,411
Pass-Through Office of Energy and Planning Refugee Targeted Assistance Grant	93.584	175,844
Pass-Through Office of Energy and Planning Preventative Health Grant	93.576	33,000
<b>Department of State</b>		
Pass-Through Bureau of Population, Refugees, and Migration CWS - Reception and Placement Program	19.510	* 103,092
Pass-Through Bureau of Population, Refugees, and Migration EMM - Reception and Placement Program	19.510	* 72,314
Pass-Through Bureau of Population, Refugees, and Migration LIRS - Reception and Placement Program	19.510	* 90,756
<b>Department of Education</b>		
Pass-Through State of New Hampshire Adult Basic Education	84.002	53,238
Pass-Through State of New Hampshire Title I Funding Grant	84.010	38,000
<b>Department of Agriculture</b>		
USDA - Special Breakfast Program	10.553	16,672
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u>\$ 923,540</u>

\* Major Program

**Basis of Presentation and Summary of Significant Accounting Policies**

The schedule of Expenditures of Federal Awards includes federal award activity of Lutheran Community Services of NH, Inc. for the year ended June 30, 2010. The information in this schedule is in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected 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. Expenditures are presented on the accrual basis of accounting, such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.



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**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  
Lutheran Community Services of New Hampshire, Inc.  
Concord, New Hampshire

We have audited the financial statements of Lutheran Community Services of New Hampshire, Inc. (a nonprofit organization) as of and for the year ended June 30, 2010, and have issued our report thereon dated March 11, 2011. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Lutheran Community Services of New Hampshire, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lutheran Community Services of New Hampshire, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. [10-1, 10-2, 10-3]



Board of Directors  
Lutheran Community Services of New Hampshire, Inc.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lutheran Community Services of New Hampshire, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Lutheran Community Services of New Hampshire, Inc.'s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Lutheran Community Services of New Hampshire, Inc.'s responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Larson Allen LLP*  
LarsonAllen LLP

Quincy, Massachusetts  
March 11, 2011

# LarsonAllen<sup>®</sup> LLP

CPAs, Consultants & Advisors  
www.larsonallen.com

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors  
Lutheran Community Services of New Hampshire, Inc.  
Concord, New Hampshire

### Compliance

We have audited Lutheran Community Services of New Hampshire, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lutheran Community Services of New Hampshire, Inc.'s major federal programs for the year ended June 30, 2010. Lutheran Community Services of New Hampshire, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Lutheran Community Services of New Hampshire, Inc.'s management. Our responsibility is to express an opinion on Lutheran Community Services of New Hampshire, Inc.'s compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Lutheran Community Services of New Hampshire, Inc.'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. Our audit does not provide a legal determination of Lutheran Community Services of New Hampshire, Inc.'s compliance with those requirements.

In our opinion, Lutheran Community Services of New Hampshire, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of non-compliance with those requirements, which are reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 10-4.

**LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2010**

**B. Findings – Financial Statement Audit**

Finding 10-2

Statement of Condition: Lack of controls over the reconciliation of intercompany activity in a timely manner.

Criteria: This condition constitutes a material weakness in internal control over financial reporting.

Effect of Condition: Intercompany activity is not being reconciled monthly which increases the risk that internal controls in this area would not prevent, detect or correct material errors in a timely manner.

Cause of Conditions: Management oversight.

Recommendation: Management should review their internal controls over intercompany activity and enhance such controls.

Response and Corrective Action: The Organization hired an intercompany accountant and is in the process of developing procedures for recording and communicating intercompany transactions.

Finding 10-3

Statement of Condition: The Organization does not have a formal approval process for the recording of journal entries.

Criteria: This condition constitutes a material weakness in internal control over financial reporting.

Effect of Condition: There appears to have been no adverse effects as a result of this condition.

Cause of Conditions: There is no design of a formal approval process.

Recommendation: Management should develop controls and implement an approval process for recording journal entries.

Response and Corrective Action: The Organization will develop and implement controls with regards to the approval of journal entries.

Board of Directors  
Lutheran Community Services of New Hampshire, Inc.

**Internal Control Over Compliance**

Management of Lutheran Community Services of New Hampshire, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Lutheran Community Services of New Hampshire, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Lutheran Community Services of New Hampshire, Inc.'s internal control over compliance.

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 deficiencies, significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item [10-4] to be a material weakness.

Lutheran Community Services of New Hampshire, Inc.'s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Lutheran Community Services of New Hampshire, Inc.'s responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Larson Allen LLP*  
LarsonAllen LLP

Quincy, Massachusetts  
March 11, 2011

**LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2010**

**A. Summary of Audit Results**

1. The auditors' report expresses an unqualified opinion on the financial statements of Lutheran Community Services of New Hampshire, Inc.
2. Material weaknesses were identified during the audit of the financial statements.
3. No material instances of non-compliance were disclosed during the audit.
4. Material Weakness was identified during the audit of major federal award programs.
5. The auditors' report on compliance for major federal awards for Lutheran Community Services of New Hampshire, Inc. expresses an unqualified opinion.
6. Findings relative to major federal award programs are reported in part C of this schedule.
7. The programs tested as major programs were:

**U.S. Department of Health and Human Services:**  
Match Grant Programs (CFDA # 93.567)  
Reception and Placement Programs (CFDA # 19.510)

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Lutheran Community Services of New Hampshire, Inc. was not determined to be a low-risk auditee.

**B. Findings – Financial Statement Audit**

**Finding 10-1**

Statement of Condition:

The Organization does not possess the ability to prepare financial statements in accordance with generally accepted accounting principles.

Criteria:

This condition constitutes a material weakness in internal control over financial reporting.

Effect of Condition:

There does not appear to be any negative impact on the Organization.

Cause of Conditions:

It is not cost effective for the Organization to employ an individual with the technical expertise needed to prepare financial statements.

Recommendation:

The current approach appears to be adequate under the circumstances.

Response and Corrective Action:

The Organization will continue to delegate the preparation of its financial statements to its independent auditor.

**LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2010**

**C. Findings – Major Federal Award Programs**

Finding 10-4 CFDA # 93.567 & 19.510

<u>Statement of Condition:</u>	The Organization submits required reports to grantors on a quarterly basis.
<u>Criteria:</u>	All reports under grant agreements are due to the grantor by the 15 <sup>th</sup> /20 <sup>th</sup> of the following month. This condition constitutes a material weakness in internal control. In addition, it is a compliance violation with respect to these major programs.
<u>Effect of Condition:</u>	There appears to have been no adverse effects as a result of this condition. However, the Grantors reserve the right to terminate funding.
<u>Cause of Conditions:</u>	The current reporting procedures in place are not adequate to meet the requirements under the federal grants.
<u>Recommendation:</u>	Management should file required reports based on the provisions contained in grant documents. In addition, management should implement controls to ensure that the reports are filed in compliance with grant requirements.
<u>Response and Corrective Action:</u>	Management has implemented an organizational restructuring within the finance department to address this issue. A contract billing specialist was hired to maintain federal grants and state contracts. They are responsible for timely submission of reimbursement reports and meet regularly with management and operations to ensure the organization remains in compliance with grant requirements.

**LUTHERAN COMMUNITY SERVICES OF NEW HAMPSHIRE, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2010**

**RESOLUTION OF PRIOR YEAR FINDINGS**

Finding 09-1    The Organization does not possess the ability to prepare financial statements in accordance with generally accepted accounting principles.

Status            The Organization will continue to delegate assistance with the preparation of its financial statements to its independent auditor.

Finding 09-2    The Organization does not have sufficient controls over the recording over the reconciliation of accounts receivable. Material deposits received before year end were not applied to accounts receivable and remained in unapplied cash accounts.

Status            The Organization has implemented a monthly reconciliation process over accounts receivable and all deposits appear to have been properly reconciled and applied.

Finding 09-3    The Organization does not have a formal approval process for the recording of journal entries.

Status            The Organization continues to work towards implementing the appropriate controls with regards to this finding.

Finding 09-4    The Organization submits required reports to grantors on a quarterly basis, reports are due monthly.

Status            The Organization has implemented controls to ensure the timely submission of reimbursement reports. However, due to the timing of the implementation, there were reports that were filed untimely during fiscal year 2010.



**Lutheran  
Social Services**  
BOARD OF DIRECTORS

2011 – 2012

(#/year = term number/year of expiration)

**Ex Officio, non voting**

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1/2014

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Executive VP of Operations

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## **Lutheran Social Services of New England Mission Statement and Values**

### **Mission Statement**

In response to Christ's love, Lutheran Social Services of New England serves and cares for people in need.

### **Values**

In response to Christ's love, Lutheran Social Services of New England invites people of good will to join in our mission.

Affirms the worth of each person

Promotes a caring and respectful workplace

Excels in service through its employees and volunteers

Practices good stewardship of its resources

Advocates for social justice

*In response to Christ's love, Lutheran Social Services serves and cares for people in need.*

# LSS Services for New Americans



A Program of Lutheran Social Services

## Lutheran Community Services, Inc. Targeted Assistance Grant FY 2012

### Key Personnel (Based on annualized numbers)

TBA: Education-Employment Specialist  
\$30,000.00 Salary  
\$15,000.00 charged to contract. Represents .50 FTE  
Benefits = \$3,450.00

TBA: Education-Employment Specialist  
\$30,000.00 Salary  
\$22,500.00 charged to contract. Represents .75 FTE  
Benefits = \$5,175.00

TBA: Education-Employment Specialist  
\$30,000.00 Salary  
\$30,000.00 charged to contract. Represents 1 FTE  
Benefits = \$6,900.00

Augustin Ntabaganyimana: Program Manager  
\$ 47,500.00 Salary  
\$2,375.00 charged to contract. Represents .05 FTE  
Benefits = \$546.00

# **Augustin Ntabaganyimana**

193 Agnes Street Apt. 302, Manchester, NH 03102, 508-246-8861, augustinntag@comcast.net

## **Lutheran Social Services**

Program Manager

September 2008- Present

Duties: Oversee program operations including Case Management services, Employment, English Instruction, Vocational Training and Volunteer Programs. Involved in all aspects of personnel management including: recruitment, staff development, supervision and termination. Collaborate with private employers to develop vocational training programs for refugees and asylees. Present to the community about refugees/immigrant issues. Work with local banks and other local community development agencies to develop and implement financial literacy training for clients. Arrange Individual Development Accounts (IDA) workshops for refugees; work with the police and fire departments to develop safety training programs for immigrant populations.

## **Lutheran Social Services**

Matching Grant Coordinator

July 2006- September 2008

Duties: Interpreted Matching Grant Guidelines in the way that program staff, volunteers and clients easily understand. Screened applicants to determine eligibility for the program and provided orientation to eligible candidates. Supervised Job Developers and completed reports. Issued maintenance assistance to clients, sanctioned uncooperative participants and communicated with the DHHS to prevent fraud in federal programs.

## **Lutheran Social Services**

Caseworker

May 2004- July 2006

Duties: Referred clients to services in accordance with the Cooperative Agreement and Matching Grant Program guidelines. Developed resettlement plans for clients and monitored implementation. Brought refugees to medical and social services appointments, counseled refugees on issues related to their resettlement needs including medical, employment, family reunion and financial stability. Advocated for clients on as needed basis.

## **State of New Hampshire**

Mental Health Worker II

April 2001- May 2004

Duties: Provided counseling to mentally ill patients (including a limited number of refugees/asylees), accompanied clients to medical appointments for therapies not provided in-house, wrote weekly and monthly progress reports on each patient, participated in meetings where psychiatrists, Medical Doctors and other Healthcare professionals made treatment decisions.

## **Education**

**University of New Hampshire**

Masters of Public Administration 2012

**Rivier College**

Bachelor of Science in Business Administration

2010

## **Professional Development**

Leadership Development Training, Concord Chamber of Commerce

2011

Leadership Development Training, Emerging Leaders in Communities of Color

2008

## **Community Involvement**

Concord Substance Abuse Coalition, Executive Committee Member

Central New Hampshire Region Transportation Council, Member

Concord Multicultural Coalition, Leadership Committee Member

State of New Hampshire Refugee Advisory Council, Participant

Laconia Refugee Connections Group, Participant

Concord Safety Foundation, Board Member

State of New Hampshire  
Office of Minority Health and Refugee Affairs  
Request for Proposals and Application for Funding

**BUDGET FORM**

**YEAR 1**

Organization Name: Lutheran Community Services, Inc.  
Program Title: Services for New Americans  
Budget Report Period: September 30, 2011 – September 29, 2012

Budget Requirements			This Period	Cumulative YTD Total	Funding Request
Staff Positions					
	% FTE	Annual Salary			
Education-Empl Specialist	.50	\$30,000	Based on 8	months	\$10,000.00
Education-Empl Specialist	.75	\$30,000	Based on 8	months	\$15,000.00
Education-Empl Specialist	1.00	\$30,000	Based on 8	months	\$20,000.00
Program Manager	.05	\$47,500	Based on 8	months	\$1,538.00
Fringe Benefits and Taxes	Calculated at .23		Based on 8	months	\$10,714.00
Interpreters/Professional					\$1,035.00
Assistance to Clients					\$21,450.00
Supplies					\$900.00
Postage					\$400.00
Printing					\$100.00
Telephone					\$1,500.00
Equip.Rental and Maint.					\$500.00
Travel					\$5,658.00
Rent					\$1,921.00
Contractual					\$30,000.00
Other (please explain)					\$10,530.00
(Start-up costs: computer, desks, chairs, phones & audit, licenses, fees, workshops, dues, insurance, etc.)					
Subtotal					\$131,291.00
Indirect Expenses					\$18,709.00
Grand Total					\$150,000.00

State of New Hampshire  
Office of Minority Health and Refugee Affairs  
Request for Proposals and Application for Funding

**BUDGET FORM**

**YEAR 2**

<b>Organization Name: Lutheran Community Services, Inc.</b> <b>Program Title: Services for New Americans</b> <b>Budget Report Period: September 30, 2012 – September 29, 2013</b>
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Budget Requirements			This Period	Cumulative YTD Total	Funding Request
Staff Positions					
	% FTE	Annual Salary			
Education-Empl Specialist	.50	\$30,000			\$15,000.00
Education-Empl Specialist	.75	\$30,000			\$22,500.00
Education-Empl Specialist	1.00	\$30,000			\$30,000.00
Program Manager	.05	\$47,500			\$2,375.00
Fringe Benefits and Taxes	Calculated at .23				\$16,071.00
Interpreters/Professional					
Assistance to Clients					\$2,250.00
Supplies					\$900.00
Postage					\$400.00
Printing					\$100.00
Telephone					\$1,500.00
Equip.Rental and Maint.					\$500.00
Travel					\$5,574.00
Rent					\$1,921.00
Contractual					\$30,000.00
Other (please explain)					\$2,200.00
(Audit, licenses, fees, dues, workshops, insurance)					
Subtotal					\$131,291.00
Indirect Expenses					\$18,709.00
Grand Total					\$150,000.00