



Lori A. Shilbnette  
Commissioner

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF THE COMMISSIONER

129 PLEASANT STREET, CONCORD, NH 03301-3857  
603-271-9200 1-800-852-3345 Ext. 9200  
Fax: 603-271-4912 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

June 30, 2020

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**INFORMATIONAL ITEM**

Pursuant to RSA 4:45, RSA 21-P:43, and Section 4 of Executive Order 2020-04 as extended by Executive Orders 2020-05, 2020-08, 2020-09, and 2020-10, Governor Sununu has authorized the Department of Health and Human Services, Office of the Commissioner, to enter into a **Retroactive, Sole Source** contract with The Friends Program, Inc. (VC#154987-B001), Portsmouth, NH in the amount of \$30,000 for decompression of the population in homeless shelters to align operations with Centers for Disease Control recommendations, with the option to renew for up to one (1) additional year, effective retroactive to April 11, 2020, through July 12, 2020. 100% General Funds.

Funds are available in the following account for State Fiscal Years 2020 and 2021, with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

05-95-95-950010-56760000 Health and Social Services, Department of Health and Human Services, HHS: Office of the Commissioner, Office of Business Operations

State Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2020	103-502664	Contracts for Oper Svc	95010998	\$30,000
2021	103-502664	Contracts for Oper Svc	95010998	\$0
			<b>Total</b>	<b>\$30,000</b>

**EXPLANATION**

This item is **Retroactive** because the Department needed the Contractor to immediately begin providing alternative shelter placement to individuals experiencing homelessness. The alternative shelter placement ensures that the Centers for Disease Control recommendations for COVID-19 are complied with to ensure adequate social distancing and safety measures are in place. This item is **Sole Source** because the Department identified the Contractor as having the ability to immediately begin providing the required shelter services to meet the needs of the individuals experiencing homelessness.

The Department cannot determine how many individuals experiencing homelessness will be served from April 11, 2020, through July 10, 2020.

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
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As referenced in Exhibit A, Revisions to Standard Contract Provisions of the attached contract, the parties have the option to extend the agreement for up one (1) additional year, contingent upon satisfactory delivery of services, available funding, agreement of the parties and appropriate State approval.

Area Served: Seacoast

Respectfully submitted,

  
for Lori A. Shibinette  
Commissioner

Subject: Decompression Services for Homeless - COVID19 (SS-2020-OCOM-10-DECOM-03)

**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS****1. IDENTIFICATION.**

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name The Friends Program, Inc.		1.4 Contractor Address 202 North State Street Concord, NH 03301	
1.5 Contractor Phone Number (603) 228-1193 (npaul@friendsprogram.org)	1.6 Account Number 05-95-95-950010- 56760000-103-502664- 95010998	1.7 Completion Date July 12, 2020	1.8 Price Limitation \$30,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature <i>Nancy M Paul</i> Date: <i>5/13/20</i>		1.12 Name and Title of Contractor Signatory <i>Nancy M Paul Executive Director</i>	
1.13 State Agency Signature <i>Christine Santanillo</i> Date: <i>5/13/20</i>		1.14 Name and Title of State Agency Signatory <i>Christine Santanillo</i> <i>Director, DEHS, DHHS</i>	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: <i>/s/Christen Lavers</i> On: <i>5/22/20</i>			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

**2. 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 B 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, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("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 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 for Services provided in EXHIBIT B, in whole or in part. 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 reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source 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 C 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 applicable 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 employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property 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 The Contractor 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 cured, 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 give the Contractor a written notice specifying the Event of Default and 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 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. 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.

## 9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, 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 B. In addition, at the State's discretion, 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.

## 10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

10.1 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, formulas, 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.

10.2 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.

10.3 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.

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.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. **INDEMNIFICATION.** Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. 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 continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 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 ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

#### 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. The 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. **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.

17. **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 unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. **CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and 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. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. **CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

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 or modifying provisions set forth in the attached EXHIBIT A 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 with respect to the subject matter hereof.



## **REVISIONS TO STANDARD CONTRACT PROVISIONS**

### **1. Revisions to Form P-37, General Provisions**

- 1.1. Paragraph 3, Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:
  - 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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, shall become effective on April 11, 2020 ("Effective Date").
- 1.2. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:
  - 3.3. The parties may extend the Agreement for up to one (1) additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.
- 1.3. Paragraph 9, Termination, is amended by adding Subparagraph 9.3, as follows:
  - 9.3. In the event that services in the contract are no longer needed, due to the resolution of the COVID 19 Pandemic, the contract shall be terminated immediately upon written notification of the State to the Contractor.
- 1.4. Paragraph 12, Assignment/Delegation/Subcontracts, is amended by adding subparagraph 12.3 as follows:
  - 12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.



## Scope of Services

### 1. Statement of Work

- 1.1. The Contractor shall ensure the safety of the population served, during the COVID19 Pandemic, who are served through contracts with the State of New Hampshire relative to:
  - 1.1.1. Shelter Essential Services;
  - 1.1.2. Emergency Shelter services;
  - 1.1.3. Homeless Intervention Services; and/or
  - 1.1.4. Coordinated Entry Services.
- 1.2. The Contractor shall decompress the population in homeless shelters in order to align operations with Centers for Disease Control (CDC) recommendations relative to social distancing, in order to provide services in a safe manner that is in cooperation and accordance with any existing agreement with the State of New Hampshire.
- 1.3. The Contractor shall ensure any guests participating in decompression services are:
  - 1.3.1. Identified as guests of The Friends Program Emergency Housing Program.
  - 1.3.2. Provided with all services, rights and supports available through services provided at The Friends Program Emergency Housing Program.
- 1.4. The Contractor shall ensure any locations utilized as alternate locations for decompression purposes comply with all local codes.



New Hampshire Department of Health and Human Services  
Decompression Services for Homeless - COVID19  
**EXHIBIT C**



**Payment Terms**

1. The State shall pay the Contractor an amount not to exceed Form P-37, Block 1.8 Price Limitation for the services provided by the Contractor pursuant to Exhibit B, Scope of Services
2. Payment shall be on a cost reimbursement basis of \$10,000 per month.
3. The Contractor shall submit monthly invoices that specify the number of individuals served during the previous month.
4. In lieu of hard copies, all Department-provided invoices may be assigned an electronic signature and emailed to Beth.Kelly@dhhs.nh.gov .
5. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available, subject to Paragraph 4 of the General Provisions Form Number P-37 of this Agreement.
6. The final invoice shall be due to the State no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
7. The Contractor must provide the services in Exhibit B, Scope of Services, in compliance with funding requirements.
8. The Contractor agrees that funding under this Agreement may be withheld, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit B, Scope of Services.
9. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.
10. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.
11. Notwithstanding Paragraph 18 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
12. Audits

The Friends Program, Inc.

Exhibit C

Contractor Initials

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Date

Rev. 01/08/19

*nmf*  
5/13/2020

New Hampshire Department of Health and Human Services  
Decompression Services for Homeless - COVID19

EXHIBIT C



12.1. The Contractor is required to submit an annual audit to the Department if any of the following conditions exist:

12.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.

12.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.

12.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.

12.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.

12.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.

12.4. 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.

*[Handwritten Signature]*  
5/13/2020



**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

The Vendor 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 GRANTEEES 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

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
  - 1.1. 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;
  - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
    - 1.2.1. The dangers of drug abuse in the workplace;
    - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
    - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
    - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
  - 1.3. 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);
  - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
    - 1.4.1. Abide by the terms of the statement; and
    - 1.4.2. 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;
  - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 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

New Hampshire Department of Health and Human Services  
Exhibit D



- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
    - 1.6.1. 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
    - 1.6.2. 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;
  - 1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.
2. 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)

30 Thompson Street Concord NH 03301

Residence Inn 91 Hall Street Concord NH 03301

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

Vendor Name: The Friends Program, Inc

5/13/2020  
Date

Nancy M Paul  
Name: Nancy M. PAUL  
Title: Executive Director



**CERTIFICATION REGARDING LOBBYING**

The Vendor 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
- \*Social 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

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-I.)
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.

Vendor Name: The Friends Program, Inc.

5/13/2020  
Date

Nancy M Paul  
Name: Nancy M Paul  
Title: Executive Director



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

The Vendor 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.
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

*nmP*  
5/13/20

New Hampshire Department of Health and Human Services  
Exhibit F



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

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
  - 11.2. 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;
  - 11.3. 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 (11)(b) of this certification; and
  - 11.4. 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.
12. 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

13. 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:
- 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
  - 13.2. 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).
14. 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.

Vendor Name: *The Friends Program, Inc.*

*5/13/2020*  
Date

*Nancy M. Paul*  
Name: *Nancy M. Paul*  
Title: *Executive Director*

*NMP*  
Date: *5/13/2020*



**CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO  
FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND  
WHISTLEBLOWER PROTECTIONS**

The Vendor 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:

Vendor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;
- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;
- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);
- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;
- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;
- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;
- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;
- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;
- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract-Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

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.

Exhibit G

Vendor Initials nmf

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

6/27/14  
Rev. 10/21/14

Page 1 of 2

Date 5/13/2020



New Hampshire Department of Health and Human Services  
Exhibit G



In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Vendor 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 Vendor agrees to comply with the provisions indicated above.

Vendor Name: The Friends Program, Inc.

5/13/20  
Date

Nancy M Paul  
Name: Nancy M Paul  
Title: Executive Director

Exhibit G

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Vendor Initials

NMP

Date 5/13/20



**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 Vendor 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 Vendor 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.

Vendor Name: The Friends Program Inc

5/13/20  
Date

Nancy M Paul  
Name: Executive Director  
Title: Nancy M Paul

NMP  
Date 5/13/20



**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 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.

(1) **Definitions.**

- a. **"Breach"** shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- 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 and amendments thereto.
- i. **"Individual"** shall have the same meaning as the term "individual" in 45 CFR Section 160.103 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 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- 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, unreadable, 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) Business Associate 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, Business Associate, including but not limited to all its directors, officers, employees and agents, shall 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 HIPAA Privacy, Security, and Breach Notification Rules 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



Exhibit I

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. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
  - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
  - o The unauthorized person used the protected health information or to whom the disclosure was made;
  - o Whether the protected health information was actually acquired or viewed
  - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. 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.
- e. 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 (I). 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



Exhibit I

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. 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.
- g. 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.
- h. 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.
- i. 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.
- j. 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.
- k. 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.
- l. 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



Exhibit I

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 Paragraph 10 of the standard terms and conditions (P-37) 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, 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.



Exhibit I

- 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) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), 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

Christine Santanichew  
Signature of Authorized Representative

Christine Santanichew  
Name of Authorized Representative

Director, D&H  
Title of Authorized Representative

5/13/20  
Date

The Friends Program, Inc  
Name of the Contractor

Nancy M Paul  
Signature of Authorized Representative

Nancy M Paul  
Name of Authorized Representative

Executive Director  
Title of Authorized Representative

5/13/2020  
Date

nmf  
5/13/20





**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:
  - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
  - 10.2. 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.

Contractor Name: The Friends Program Inc.

5/13/20  
Date

Nancy M Paul  
Name: Nancy M Paul  
Title: Executive Director

NMP  
Date 5/13/20

New Hampshire Department of Health and Human Services  
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: 18-359-1320
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: <u>Nancy M Paul</u>	Amount: <u>77,750</u>
Name: <u>Lily Wellington</u>	Amount: <u>53,080</u>
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

NMP  
5/13/20

# New Hampshire Department of Health and Human Services

## Exhibit K

### DHHS Information Security Requirements



#### A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

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**DHHS Information Security Requirements**



mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

New Hampshire Department of Health and Human Services

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request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS 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 Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

## II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

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wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

**A. Retention**

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

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**New Hampshire Department of Health and Human Services**

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**DHHS Information Security Requirements**



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

**B. Disposition**

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

**IV. PROCEDURES FOR SECURITY**

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
  1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
  2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

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3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

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the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

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5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

# State of New Hampshire

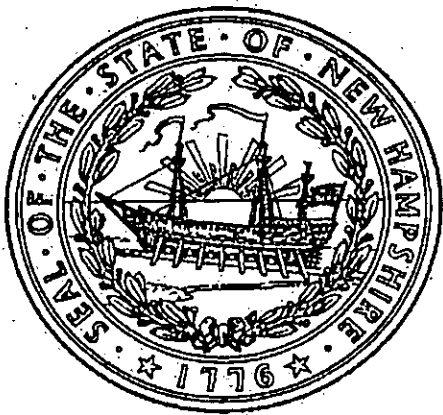
## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE FRIENDS PROGRAM, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on April 05, 1976. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 60670

Certificate Number: 0004903781



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 29th day of April A.D. 2020.

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

William M. Gardner  
Secretary of State

## CERTIFICATE OF VOTE

I, Joanne M. Gagnon, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of The Friends Program, Inc.  
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of  
the Agency duly held on May 30, 2019  
(Date)

RESOLVED: That the Executive Director  
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to  
execute any and all documents, agreements and other instruments, and any amendments, revisions,  
or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of  
the 5/13/2020  
(Date Amendment Signed)

4. Nancy Paul is the duly elected Executive Director  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Joanne M. Gagnon  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

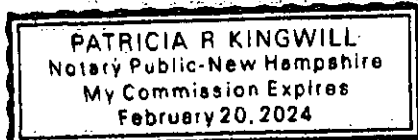
County of Merrimack

The forgoing instrument was acknowledged before me this 12 day of May, 20 20

By Joanne M. Gagnon  
(Name of Elected Officer of the Agency)

Patricia R. Kingwill  
(Notary Public/Justice of the Peace)

(NOTARY SEAL)



Commission Expires: \_\_\_\_\_



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/26/2019

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).

<b>PRODUCER</b> THE ROWLEY AGENCY INC. 45 Constitution Avenue P.O. Box 511 Concord NH 03302-0511		<b>CONTACT NAME:</b> Sarah Fifield <b>PHONE (A/C, No, Ext):</b> (603) 224-2562 <b>FAX (A/C, No):</b> (603) 224-8012 <b>E-MAIL ADDRESS:</b> sfifield@rowleyagency.com	
<b>INSURED</b> The Friends Program Inc. 202 No. State Street Concord NH 03301		<b>INSURER(S) AFFORDING COVERAGE</b> INSURER A: Hanover Ins - Bedford INSURER B: Hanover Insurance Co. INSURER C: Worldwide Facilites, LLC INSURER D: INSURER E: INSURER F:	

**COVERAGES**

CERTIFICATE NUMBER: 19/20 Master

REVISION NUMBER:

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 TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			ZHV888056707	10/1/2019	10/1/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COM/PROP AGG \$ Employee Benefit Liability \$ 1,000,000
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED \$ RETENTION \$			UHV888056808	10/1/2019	10/1/2020	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N	N/A	3A States: NH WC201900017672 Excluded Officers - Board of Directors	8/13/2019	8/13/2020	PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

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

Attesting to liability coverages.

**CERTIFICATE HOLDER****CANCELLATION**

State of NH, DHHS 129 Pleasant Street Concord, NH 03301	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 Sarah Fifield/SEF <i>Sarah Fifield</i>

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### Organization Mission Statement

The Friends Program, Inc. is a non-profit, social service organization that ***strengthens communities by building relationships that empower people, encourage community service, and restore faith in the human spirit.***

# *Financial Statements*

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## **THE FRIENDS PROGRAM, INC.**

**FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018  
AND  
INDEPENDENT AUDITORS' REPORT**

**Leone,  
McDonnell  
& Roberts**  
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS



**THE FRIENDS PROGRAM, INC.**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2019 AND 2018**

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To the Board of Trustees of  
The Friends Program, Inc.  
Concord, New Hampshire

## **INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of The Friends Program, Inc. (a New Hampshire nonprofit organization), which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of cash flows for the years then ended, and the related statements of activities and functional expenses for the year ended September 30, 2019, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Friends Program, Inc. as of September 30, 2019 and 2018, and its cash flows for the years then ended, and the changes in its net assets for the year ended September 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited The Friends Program, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 5, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Leone McDowell & Roberts,  
Professional Association*

December 10, 2019  
Wolfeboro, New Hampshire

**THE FRIENDS PROGRAM, INC.**

**STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2019 AND 2018**

	<b><u>2019</u></b>	<b><u>2018</u></b>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 35,892	\$ 9,813
Other receivables	41,566	52,047
Prepaid expenses	15,136	24,485
Total current assets	<u>92,594</u>	<u>86,345</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Land	37,800	37,800
Buildings	237,633	237,633
Building improvements	478,105	470,586
Furniture, fixtures and equipment	96,835	96,835
Total property, plant and equipment	850,373	842,854
Less accumulated depreciation	<u>(682,584)</u>	<u>(659,530)</u>
Net property, plant and equipment	<u>167,789</u>	<u>183,324</u>
<b>OTHER ASSETS</b>		
Investments	506,637	584,623
Unemployment savings account	40,823	54,588
Total other assets	<u>547,460</u>	<u>639,211</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 807,843</u></b>	<b><u>\$ 908,880</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 8,248	\$ 15,431
Accrued payroll and related taxes	42,276	41,095
Deferred revenue	28,491	6,479
Current portion of long-term debt	2,235	2,235
Total current liabilities	81,250	65,240
<b>LONG TERM LIABILITIES</b>		
Long-term debt, less current portion shown above	<u>8,940</u>	<u>11,175</u>
Total liabilities	<u>90,190</u>	<u>76,415</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Without donor restrictions, undesignated	181,392	155,830
Without donor restrictions, board designated	<u>331,898</u>	<u>479,543</u>
Total without donor restrictions	513,290	635,373
With donor restrictions	<u>204,363</u>	<u>197,092</u>
Total net assets	<u>717,653</u>	<u>832,465</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 807,843</u></b>	<b><u>\$ 908,880</u></b>

See Notes to Financial Statements

**THE FRIENDS PROGRAM, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Totals</u>	<u>2018 Totals</u>
<b>CHANGES IN NET ASSETS</b>				
<b>Support and Revenue</b>				
Government grants				
Federal	\$ 625,039	\$ -	\$ 625,039	\$ 725,104
State	177,225	-	177,225	208,727
United Way	56,592	-	56,592	60,406
Town and county income	139,700	-	139,700	149,533
Other grants	46,750	-	46,750	53,000
Contributions	563,411	-	563,411	441,924
Other revenue	13,940	-	13,940	9,248
Investment income	11,228	6,804	18,032	54,848
Total support and revenue	<u>1,633,885</u>	<u>6,804</u>	<u>1,640,689</u>	<u>1,702,790</u>
<b>EXPENSES</b>				
<b>Program services</b>				
Youth mentoring	234,223	-	234,223	238,764
Emergency housing	362,040	-	362,040	366,106
Foster grandparents	635,294	-	635,294	691,274
Retired senior volunteers	290,422	-	290,422	303,731
Total program services	<u>1,521,979</u>	<u>-</u>	<u>1,521,979</u>	<u>1,599,875</u>
<b>Supporting activities</b>				
Administrative	207,471	-	207,471	168,977
Fundraising	28,286	-	28,286	13,143
Total supporting activities	<u>235,757</u>	<u>-</u>	<u>235,757</u>	<u>182,120</u>
Total expenses	<u>1,757,736</u>	<u>-</u>	<u>1,757,736</u>	<u>1,781,995</u>
<b>CHANGE IN NET ASSETS BEFORE FORGIVENESS OF DEBT</b>	<u>(123,851)</u>	<u>6,804</u>	<u>(117,047)</u>	<u>(79,205)</u>
<b>FORGIVENESS OF DEBT</b>	<u>2,235</u>	<u>-</u>	<u>2,235</u>	<u>2,235</u>
<b>CHANGE IN NET ASSETS</b>	<u>(121,616)</u>	<u>6,804</u>	<u>(114,812)</u>	<u>(76,970)</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>634,906</u>	<u>197,559</u>	<u>832,465</u>	<u>909,435</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 513,290</u>	<u>\$ 204,363</u>	<u>\$ 717,653</u>	<u>\$ 832,465</u>

See Notes to Financial Statements

**THE FRIENDS PROGRAM, INC.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (114,812)	\$ (76,970)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	23,053	22,876
Net unrealized gain loss on investments	3,172	(18,051)
Net realized gain on investments	(13,838)	(23,490)
Forgiveness of debt	(2,235)	(2,235)
(Increase) decrease in assets:		
Other receivables	10,481	40,557
Prepaid expenses	9,349	(1,438)
Unemployment savings account	13,765	(6,693)
Increase (decrease) in liabilities:		
Accounts payable	(7,183)	11,443
Accrued payroll and related taxes	1,181	5,812
Deferred revenue	<u>22,012</u>	<u>(9,999)</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(55,055)</u>	<u>(58,188)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(42,091)	(201,528)
Proceeds from sale of investments	130,744	172,074
Purchase of property, plant and equipment	<u>(7,519)</u>	<u>(6,768)</u>
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<u>81,134</u>	<u>(36,222)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term debt	<u>-</u>	<u>(1,417)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>-</u>	<u>(1,417)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	26,079	(95,827)
<b>CASH, BEGINNING OF YEAR</b>	<u>9,813</u>	<u>105,640</u>
<b>CASH, END OF YEAR</b>	<u>\$ 35,892</u>	<u>\$ 9,813</u>

See Notes to Financial Statements

**THE FRIENDS PROGRAM, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Youth Mentoring</u>	<u>Emergency Housing</u>	<u>Foster Grandparents</u>	<u>Retired Senior Volunteers</u>	<u>Program Total</u>	<u>Administration</u>	<u>Fundraising</u>	<u>2019 Totals</u>	<u>2018 Totals</u>
<b>Payroll</b>									
Salaries and wages	\$ 126,987	\$ 233,273	\$ 135,267	\$ 134,691	\$ 630,218	\$ 109,650	\$ -	\$ 739,868	\$ 736,604
Employee benefits	17,460	19,682	28,824	25,267	91,233	11,358	-	102,591	103,493
Payroll taxes	9,227	17,334	9,483	9,598	45,642	8,159	-	53,801	53,567
<b>Other</b>									
Stipends	-	-	260,590	-	260,590	21	-	260,611	297,575
In-kind expenses	49,644	33,173	37,136	74,530	194,483	12,926	-	207,409	215,586
Volunteer expenses	715	-	103,636	2,707	107,058	15	-	107,073	90,219
Occupancy	11,862	25,009	16,424	15,764	69,059	19,906	-	88,965	80,016
Postage and printing	694	164	2,129	680	3,667	1,412	28,286	33,365	9,969
Professional fees and contracts	941	2,127	14,963	2,581	20,612	10,857	-	31,469	25,699
Supplies	7,621	2,484	5,506	3,624	19,235	7,929	-	27,164	41,164
Repairs and maintenance	2,741	3,306	2,307	4,103	12,457	10,790	-	23,247	22,234
Depreciation	-	19,046	-	-	19,046	4,007	-	23,053	22,876
Insurance	3,390	4,690	3,390	3,390	14,860	4,132	-	18,992	18,301
Local transportation	340	88	6,556	7,672	14,656	456	-	15,112	14,349
Recognition expenses	892	-	6,208	3,214	10,314	1,546	-	11,860	8,871
Telephone	1,587	1,289	2,198	2,076	7,150	2,825	-	9,975	9,322
Dues and subscriptions	122	-	150	22	294	985	-	1,279	1,486
Staff development	-	19	267	285	571	196	-	767	1,230
Conferences	-	-	260	218	478	100	-	578	2,476
Advertising	-	356	-	-	356	-	-	356	7,811
Other	-	-	-	-	-	201	-	201	19,147
<b>Total expenses before indirect allocation</b>	<b>234,223</b>	<b>362,040</b>	<b>635,294</b>	<b>290,422</b>	<b>1,521,979</b>	<b>207,471</b>	<b>28,286</b>	<b>1,757,736</b>	<b>1,781,995</b>
<b>Allocation of indirect costs</b>									
Support services	29,547	65,913	90,915	40,912	227,287	(227,287)	-	-	-
<b>Total expenses</b>	<b>\$ 263,770</b>	<b>\$ 427,953</b>	<b>\$ 726,209</b>	<b>\$ 331,334</b>	<b>\$ 1,749,266</b>	<b>\$ (19,816)</b>	<b>\$ 28,286</b>	<b>\$ 1,757,736</b>	<b>\$ 1,781,995</b>

See Notes to Financial Statements

**THE FRIENDS PROGRAM, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

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

**Organization**

The Friends Program, Inc. (the Organization) is an independent not-for-profit corporation organized in the State of New Hampshire. The Organization is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code (Code). In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a)(2) of the Code. The Organization's primary purpose consists of the following program services:

Youth Mentoring – mentor program, matching volunteer mentors with at-risk children and teens.

Emergency Housing – short-term housing for homeless families.

Foster Grandparents – mentor program that places income eligible senior citizen volunteers in schools and child day care centers to work with special and at-risk children.

Retired Senior Volunteers – volunteer program targeting individuals 55 years of age or older who become engaged in a variety of volunteer roles.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Support is recorded when received or pledged. Revenue is recorded when services are rendered. Expenses are recorded when the obligation has been incurred.

**Basis of Presentation**

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

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



Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

#### **Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

#### **Contributions**

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

#### **Donated Materials and Services**

The Organization recognizes the value of volunteer services and expenses when there is an objective basis available to measure their value, relative to its various activities.

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

Cash and cash equivalents include demand deposits, petty cash funds and investments with a maturity of three months or less, and exclude amounts whose use is limited by Board designation. As of September 30, 2019 and 2018, the Organization had no cash equivalents.

#### **Investments**

Investments consist of various equities, mutual funds and interest bearing investments and are stated at fair value on the statements of financial position based on quoted market prices. The Organization's investments are subject to various risks, such as interest rate, credit and overall market volatility, which may substantially impact the fair value of such investments at any given time.

#### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to activities and a credit to a valuation allowance based on historical account write-off patterns by the payer, adjusted as necessary to reflect current conditions.

Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Organization has no policy for charging interest on overdue accounts nor are its accounts receivable pledged as collateral. Management has estimated accounts receivable to be fully collectible as of September 30, 2019 and 2018.

#### **Property, Plant, Equipment and Depreciation**

The Organization capitalizes property, plant and equipment purchased or donated at a value greater than \$1,000. Depreciation is provided for using the straight-line method in amounts designed to amortize the cost of the assets over their estimated useful lives as follows:

Buildings	20 years
Building improvements	7 – 20 years
Furniture, fixtures and equipment	5 years

Depreciation expense for the years ended September 30, 2019 and 2018 amounted to \$23,053 and \$22,876, respectively.

Costs for repairs and maintenance are expensed when incurred and betterments are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related accumulated depreciation, and any gain or loss is recognized.

The Organization reviews the carrying value of property, plant and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimating future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, as well as the effects of obsolescence, demand, competition and other economic factors.

As of September 30, 2019 and 2018, the Organization found no reason for impairment of any assets.

#### **Summarized Financial Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2018, from which the summarized information was derived.

#### **Deferred Revenue**

The Organization recognizes revenues when earned. Amounts received in advance of the period in which service is rendered are recorded as a liability under "deferred revenue."

### **Vacation Pay and Fringe Benefits**

Vacation pay is accrued and charged to the appropriate program expense when earned by the employee. Fringe benefits are allocated to the appropriate program expense based on the percentage of program salaries to total salaries.

### **Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation.

Management has evaluated the Organization's tax positions and concluded that the Organization has maintained its tax-exempt status and has taken no uncertain tax positions that would require adjustment to the financial statements. The Organization is no longer subject to income tax examinations by the United States Federal or State tax authorities prior to 2015.

### **New Accounting Pronouncement**

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

### **Functional Allocation of Expenses**

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

The expenses that are allocated include the following:

<b><u>Expense</u></b>	<b><u>Method of allocation</u></b>
Salaries and benefits	Time and effort
Occupancy	Square footage
Depreciation	Square footage
All other expenses	Direct assignment

### **Advertising**

The Organization expenses advertising costs as incurred.

**NOTE 2****LIQUIDITY AND AVAILABILITY**

The following represents the Organization's financial assets as of September 30, 2019 and 2018:

Financial assets at year-end:	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 35,892	\$ 9,813
Other receivables	41,566	52,047
Investments	506,637	584,623
Unemployment savings account	<u>40,823</u>	<u>54,588</u>
Total financial assets	<u>\$ 624,918</u>	<u>\$ 701,071</u>
Less amounts not available to be used within one year:		
Unemployment savings account	\$ 40,823	\$ 54,588
Net assets with donor restrictions	204,363	197,092
Less net assets with purpose and time restrictions to be met in less than a year	<u>(5,000)</u>	<u>-</u>
Amounts not available within one year	<u>240,186</u>	<u>251,680</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 384,732</u>	<u>\$ 449,391</u>

It is the Organization's goal to maintain financial assets to meet 90 days of operating expenses, which approximates \$377,000 and \$381,000 respectively, at September 30, 2019 and 2018.

**NOTE 3****OTHER RECEIVABLES**

Other receivables consist of the following at September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Town	\$ 500	\$ 2,500
Grants	<u>41,066</u>	<u>49,547</u>
Total other receivables	<u>\$ 41,566</u>	<u>\$ 52,047</u>

**NOTE 4****LINE OF CREDIT**

The Organization has available a \$150,000 revolving line of credit with a local bank, due upon demand. The credit line is secured by all assets. Bank advances on the credit line are payable on demand and carry an interest rate at prime (5% and 5.25% at September 30, 2019 and 2018, respectively). There was no outstanding balance at September 30, 2019 and 2018.

**NOTE 5****ENDOWMENT**

The Organization's endowment consists of a gift restricted by a donor for long-term support of the Organization's youth mentoring program, and the accumulated investment returns on this gift. The accumulated investment returns consist of endowment net investment return that has not been appropriated by the Board of Trustees for expenditure to support operating and non-operating activities of the Organization.

**Spending Policy and How the Investment Objectives Relate to the Spending Policy**

The Organization's policy is to appropriate for distribution each year 0-6% of a 12 quarter moving average of the fund's total market value based upon the finance committee's annual recommendation and approved by the Board of Trustees. Distribution of funds shall not occur until after the fund has accumulated a value of \$100,000. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an average of 5 percent annually.

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires the Organization to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, there were no deficiencies of this nature that are reported in unrestricted net assets as of September 30, 2019 and 2018.

**Return Objectives and Risk Parameters**

The Organization has adopted investment and spending policies for endowment assets that attempt to provide additional funding to the youth mentoring program while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a weighted ratio on alternative, equity-based and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Endowment net asset composition by type of fund as of September 30, 2019:

	<u>Purpose Restricted</u>	<u>Restricted in Perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds	\$ <u>17,440</u>	\$ <u>50,947</u>	\$ <u>68,387</u>
Endowment net assets, beginning of year	\$ <u>14,960</u>	\$ <u>50,947</u>	\$ <u>65,907</u>
Investment return:			
Investment income	5,440	-	5,440
Net appreciation (realized and unrealized)	<u>(2,960)</u>	<u>-</u>	<u>(2,960)</u>
Total investment return:	<u>2,480</u>	<u>-</u>	<u>2,480</u>
Endowment net assets, end of year	\$ <u>17,440</u>	\$ <u>50,947</u>	\$ <u>68,387</u>

Endowment net asset composition by type of fund as of September 30, 2018:

	<u>Purpose Restricted</u>	<u>Restricted in Perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds	\$ <u>14,960</u>	\$ <u>50,947</u>	\$ <u>65,907</u>
Endowment net assets, beginning of year	\$ <u>13,051</u>	\$ <u>50,947</u>	\$ <u>63,998</u>
Investment return:			
Investment income	708	-	708
Net appreciation (realized and unrealized)	<u>1,201</u>	<u>-</u>	<u>1,201</u>
Total investment return:	<u>1,909</u>	<u>-</u>	<u>1,909</u>
Endowment net assets, end of year	\$ <u>14,960</u>	\$ <u>50,947</u>	\$ <u>65,907</u>

**NOTE 6**      **LONG TERM DEBT**

Long term debt consisted of the following at September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Interest free note payable to the City of Concord with payments deferred until July 31, 2024 and collateralized by property of the Organization. Each year 5% of the original principal amount is forgiven. If the project does not meet certain covenants during the loan term, the remaining loan balance is payable in full.	\$ 11,175	\$ 13,410
Less current portion due within one year	<u>(2,235)</u>	<u>(2,235)</u>
Total long term debt	<u>\$ 8,940</u>	<u>\$ 11,175</u>

As part of the note payable agreement with the City of Concord, 5% of the original principal balance was reduced without payment in the amount of \$2,235 for the years ended September 30, 2019 and 2018.

The scheduled maturities of long term debt at September 30, 2019 were as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2020	\$ 2,235
2021	2,235
2022	2,235
2023	2,235
2024	<u>2,235</u>
	<u>\$ 11,175</u>

**NOTE 7**      **DEFERRED REVENUE**

Deferred revenue consists of the following at September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Town	\$ -	\$ -
Grants	<u>28,491</u>	<u>6,479</u>
Total deferred revenue	<u>\$ 28,491</u>	<u>\$ 6,479</u>

**NOTE 8**      **CONCENTRATION OF RISK**

The Organization received approximately 38% and 42% of its total support for the years ended September 30, 2019 and 2018, respectively, from the Corporation for National and Community Service. The Corporation for National and Community Service consisted of approximately 27% of other receivables at September 30, 2018. No amounts were in receivables at September 30, 2019.

**NOTE 9****NET ASSETS**

Net assets with donor restrictions were as follows for the years ended September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Special Purpose Restrictions:		
Emergency housing	\$ 153,416	\$ 146,145
Restricted in Perpetuity:		
Youth mentoring	<u>50,947</u>	<u>50,947</u>
Total net assets with donor restrictions	<u>\$ 204,363</u>	<u>\$ 197,092</u>

Net assets without donor restrictions for the years ended September 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Undesignated	\$ 181,392	\$ 155,830
Board designated	<u>331,898</u>	<u>479,543</u>
Total net assets without donor restrictions	<u>\$ 513,290</u>	<u>\$ 635,373</u>

Net assets released from net assets with donor restrictions are as follows:

	<u>2019</u>	<u>2018</u>
Satisfaction of Purpose Restrictions:		
Emergency housing	\$ -	\$ 4,100
Total net assets released	<u>\$ -</u>	<u>\$ 4,100</u>

**NOTE 10****LEASE COMMITMENTS**

The Organization has entered into various operating lease agreements to rent certain facilities and office equipment. The terms of these leases range from five to six years. Rent expense under these agreements aggregated \$56,193 and \$55,621 for the years ended September 30, 2019 and 2018, respectively.

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

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2020	\$ 56,144
2021	31,244
2022	<u>3,022</u>
Total	<u>\$ 90,410</u>



**NOTE 11 INVESTMENTS**

The Organization's investments are presented in the financial statements in the aggregate at fair value and consisted of the following as of September 30, 2019 and 2018:

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
<b>Investments</b>				
Cash and cash equivalents	\$ 14,302	\$ 14,302	\$ 12,617	\$ 12,617
Alternate	19,361	19,845	25,822	25,462
Equities	250,247	310,883	292,367	366,850
Fixed income securities	<u>161,090</u>	<u>161,607</u>	<u>188,775</u>	<u>179,694</u>
Total	<u>\$ 445,000</u>	<u>\$ 506,637</u>	<u>\$ 519,581</u>	<u>\$ 584,623</u>

Investments in common stock and U.S. government securities are valued at the closing price reported in the active market in which the securities are traded. Management considers all investments to be long term in nature.

**Components of investment return:**

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 12,092	\$ 18,384
Investment fees	(4,726)	(5,077)
Gain (loss) – unrealized	(3,172)	18,051
Gain – realized	<u>13,838</u>	<u>23,490</u>
Total investment return	<u>\$ 18,032</u>	<u>\$ 54,848</u>

**NOTE 12 FAIR VALUE MEASUREMENTS**

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

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

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

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

The Organization's financial instruments consist of cash, short-term receivables and payables, and refundable advances. The carrying value for all such instruments, considering the terms, approximates fair value at September 30, 2019 and 2018.

The table below segregates all financial assets and liabilities as of September 30, 2019 and 2018 that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date:

	<u>2019</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Investments</b>				
Cash and cash equivalents	\$ 14,302	\$ -	\$ -	\$ 14,302
Alternative	19,845	-	-	19,845
Equities	310,883	-	-	310,883
Fixed income securities	<u>161,607</u>	<u>-</u>	<u>-</u>	<u>161,607</u>
Total investments at fair value	<u>\$ 506,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506,637</u>

	<u>2018</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Investments</b>				
Cash and cash equivalents	\$ 12,617	\$ -	\$ -	\$ 12,617
Alternative	25,462	-	-	25,462
Equities	366,850	-	-	366,850
Fixed income securities	<u>179,694</u>	<u>-</u>	<u>-</u>	<u>179,694</u>
Total investments at fair value	<u>\$ 584,623</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 584,623</u>

**NOTE 13     RECLASSIFICATIONS**

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These classifications had no effect on the previously reported change in total net assets, or total net assets amounts.

**NOTE 14     SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 10, 2019, the date which the financial statements were available to be issued, and has not evaluated subsequent events after that date. The Friends Program, Inc. did not identify any subsequent events that would require disclosure in the financial statements.

# *Financial Statements*

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## **THE FRIENDS PROGRAM, INC.**

**FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016  
AND  
INDEPENDENT AUDITORS' REPORT**

**Leone,  
McDonnell  
& Roberts**  
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

**THE FRIENDS PROGRAM, INC.**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2017 AND 2016**

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To the Board of Trustees of  
The Friends Program, Inc.  
Concord, New Hampshire

## **INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of The Friends Program, Inc. (a New Hampshire nonprofit organization), which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of cash flows for the years ended, and the related statements of activities and functional expenses for the year ended September 30, 2017, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Friends Program, Inc. as of September 30, 2017 and 2016, and its cash flows for the years then ended, and the changes in its net assets for the year ended September 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited the The Friends Program, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 14, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Leone, Mc Donnell & Roberts*  
*Professional Association*

November 10, 2017  
Wolfeboro, New Hampshire

**THE FRIENDS PROGRAM, INC.**

**STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2017 AND 2016**

	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 105,640	\$ 87,214
Other receivables	92,604	83,635
Prepaid expenses	23,047	20,593
Total current assets	221,291	191,442
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Land	37,800	37,800
Buildings	237,633	237,633
Building improvements	463,818	459,136
Furniture, fixtures and equipment	96,835	95,724
Total property, plant and equipment	836,086	830,293
Less accumulated depreciation	(636,654)	(613,835)
Net property, plant and equipment	199,432	216,458
<b>OTHER ASSETS</b>		
Investments	513,628	470,492
Unemployment savings account	47,895	48,456
Total other assets	561,523	518,948
<b>TOTAL ASSETS</b>	<b>\$ 982,246</b>	<b>\$ 926,848</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 3,988	\$ 8,869
Accrued payroll and related taxes	35,283	48,336
Deferred revenue	16,478	14,785
Current portion of long-term debt	3,652	7,902
Total current liabilities	59,401	79,892
<b>LONG TERM LIABILITIES</b>		
Long-term debt, less current portion shown above	13,410	17,062
Total liabilities	72,811	96,954
<b>NET ASSETS</b>		
Unrestricted		
Unrestricted, undesignated	222,439	318,965
Unrestricted, board designated	479,543	452,305
Total unrestricted	701,982	771,270
Temporarily restricted	156,506	7,677
Permanently restricted	50,947	50,947
Total net assets	909,435	829,894
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 982,246</b>	<b>\$ 926,848</b>

See Notes to Financial Statements



**THE FRIENDS PROGRAM, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2017 Totals</u>	<u>2016 Totals</u>
<b>CHANGES IN NET ASSETS</b>					
<b>Support and Revenue</b>					
Government grants					
Federal	\$ 695,080	\$ -	\$ -	\$ 695,080	\$ 737,674
State	213,727	-	-	213,727	211,227
United Way	63,625	-	-	63,625	66,638
Town and county income	149,009	-	-	149,009	152,852
Other grants	43,000	-	-	43,000	60,664
Contributions	448,750	133,094	-	581,844	445,964
Other revenue	12,089	-	-	12,089	434
Investment income	27,430	15,735	-	43,165	44,530
Total support and revenue	<u>1,652,710</u>	<u>148,829</u>	<u>-</u>	<u>1,801,539</u>	<u>1,719,983</u>
<b>EXPENSES</b>					
<b>Program services</b>					
Youth mentoring	247,750	-	-	247,750	221,902
Emergency housing	351,028	-	-	351,028	329,777
Foster grandparents	649,170	-	-	649,170	673,696
Retired senior volunteers	293,275	-	-	293,275	359,568
Total program services	<u>1,541,223</u>	<u>-</u>	<u>-</u>	<u>1,541,223</u>	<u>1,584,943</u>
<b>Supporting activities</b>					
Administrative	172,002	-	-	172,002	120,057
Fundraising	11,008	-	-	11,008	14,652
Total supporting activities	<u>183,010</u>	<u>-</u>	<u>-</u>	<u>183,010</u>	<u>134,709</u>
Total expenses	<u>1,724,233</u>	<u>-</u>	<u>-</u>	<u>1,724,233</u>	<u>1,719,652</u>
Income (loss) from operations	<u>(71,523)</u>	<u>148,829</u>	<u>-</u>	<u>77,306</u>	<u>331</u>
<b>NON-OPERATING INCOME</b>					
Forgiveness of debt	2,235	-	-	2,235	2,235
Total non-operating income	<u>2,235</u>	<u>-</u>	<u>-</u>	<u>2,235</u>	<u>2,235</u>
<b>CHANGE IN NET ASSETS</b>	<u>(69,288)</u>	<u>148,829</u>	<u>-</u>	<u>79,541</u>	<u>2,566</u>
<b>NET ASSETS, BEGINNING OF YEAR,   AS PREVIOUSLY STATED</b>	771,270	7,677	50,947	829,894	800,704
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	-	-	26,624
<b>NET ASSETS, BEGINNING OF YEAR,   AS RESTATED</b>	<u>771,270</u>	<u>7,677</u>	<u>50,947</u>	<u>829,894</u>	<u>827,328</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 701,982</u>	<u>\$ 156,506</u>	<u>\$ 50,947</u>	<u>\$ 909,435</u>	<u>\$ 829,894</u>

See Notes to Financial Statements

**THE FRIENDS PROGRAM, INC.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 79,541	\$ 2,566
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	22,819	24,216
Net unrealized loss (gain) on investments	83,149	(17,184)
Net realized gain on investments	(120,748)	(12,104)
Forgiveness of debt	(2,235)	(2,235)
(Increase) decrease in assets:		
Other receivables	(8,969)	30,531
Prepaid expenses	(2,454)	(115)
Unemployment savings account	561	(143)
Increase (decrease) in liabilities:		
Accounts payable	(4,881)	7,946
Accrued payroll and related taxes	(13,053)	(24,528)
Deferred revenue	1,693	(17,067)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b><u>35,423</u></b>	<b><u>(8,117)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(381,844)	(453,865)
Proceeds from sale of investments	376,307	438,141
Purchase of property, plant and equipment	(5,793)	(8,625)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b><u>(11,330)</u></b>	<b><u>(24,349)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term debt	(5,667)	(5,666)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b><u>(5,667)</u></b>	<b><u>(5,666)</u></b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>18,426</b>	<b>(38,132)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b><u>87,214</u></b>	<b><u>125,346</u></b>
<b>CASH, END OF YEAR</b>	<b><u>\$ 105,640</u></b>	<b><u>\$ 87,214</u></b>

See Notes to Financial Statements

**THE FRIENDS PROGRAM, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	Youth Mentoring	Emergency Housing	Foster Grandparents	Retired Senior Volunteers	Program Total	Administration	Fundraising	2017 Totals	2016 Totals
<b>Payroll</b>									
Salaries and wages	\$ 130,833	\$ 232,459	\$ 160,140	\$ 144,221	\$ 667,653	\$ 80,195	\$ -	\$ 747,848	\$ 726,578
Employee benefits	13,516	18,167	24,551	27,163	83,397	10,461	-	93,858	85,745
Payroll taxes	9,940	17,630	10,857	10,621	49,048	6,554	-	55,602	52,856
<b>Other</b>									
Stipends	-	-	288,824	-	288,824	-	-	288,824	312,386
In-kind expenses	68,633	23,778	33,515	65,379	191,305	10,294	-	201,599	237,100
Occupancy	11,021	22,855	15,268	14,393	63,537	21,390	-	84,927	88,687
Professional fees and contracts	1,214	2,383	42,724	2,719	49,040	11,226	-	60,266	50,921
Volunteer expenses	595	-	40,928	3,191	44,714	-	-	44,714	29,332
Supplies	2,562	2,340	11,234	3,331	19,467	6,536	7,301	33,304	27,938
Depreciation	-	18,741	-	-	18,741	4,078	-	22,819	24,216
Repairs and maintenance	2,722	3,411	2,253	2,253	10,639	9,884	-	20,523	16,222
Insurance	3,390	4,692	3,390	3,390	14,862	3,434	-	18,296	17,517
Local transportation	500	143	5,967	6,678	13,288	250	-	13,538	13,474
Postage and printing	691	256	2,373	1,545	4,865	2,955	3,707	11,527	10,429
Telephone	1,400	3,065	1,938	1,831	8,234	2,490	-	10,724	10,461
Recognition expenses	410	82	4,704	2,775	7,971	300	-	8,271	12,494
Conferences	-	-	401	3,668	4,069	384	-	4,453	893
Dues and subscriptions	103	65	100	82	350	1,534	-	1,884	1,739
Staff development	220	861	3	35	1,119	37	-	1,156	389
Advertising	-	100	-	-	100	-	-	100	275
<b>Total expenses before indirect allocation</b>	<b>247,750</b>	<b>351,028</b>	<b>649,170</b>	<b>293,275</b>	<b>1,541,223</b>	<b>172,002</b>	<b>11,008</b>	<b>1,724,233</b>	<b>1,719,652</b>
<b>Allocation of indirect costs</b>									
Support services	17,766	40,157	76,506	37,573	172,002	(172,002)	-	-	-
<b>Total expenses</b>	<b>\$ 265,516</b>	<b>\$ 391,185</b>	<b>\$ 725,676</b>	<b>\$ 330,848</b>	<b>\$ 1,713,225</b>	<b>\$ -</b>	<b>\$ 11,008</b>	<b>\$ 1,724,233</b>	<b>\$ 1,719,652</b>

See Notes to Financial Statements

**THE FRIENDS PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

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

**Organization**

The Friends Program, Inc., Inc. (the Organization) is an independent not-for-profit corporation organized in the State of New Hampshire. The Organization is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code (Code). In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a)(2) of the Code. The Organizations primary purpose consists of the following program services:

Youth Mentoring – mentor program, matching volunteer mentors with at-risk children and teens.

Emergency Housing – short-term housing for homeless families.

Foster Grandparents – mentor program that places income eligible senior citizen volunteer's in schools and child day care centers to work with special and at-risk children.

Retired Senior Volunteers – volunteer program targeting individuals 55 years of age or older who become engaged in a variety of volunteer roles.

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting. In accordance with generally accepted accounting principles, revenue is recognized when earned and expenses are recognized when incurred.

**Basis of Presentation**

The Organization reports information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets based upon the existence or absence of donor-imposed restrictions.

Unrestricted Net Assets - These assets result from contributions and other inflows which have no restrictions and over which the Board of Trustees retains full control to use in achieving any of its institutional purposes.

Undesignated – Undesignated, unrestricted net assets include the revenues and expenses associated with the principal operating mission of the Organization.

Board Designated – Board designated net assets include the revenues from operations and various unrestricted contributions that the Board

of Trustees has set aside and elected to use towards future operations.

Temporarily Restricted Net Assets - These assets result from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Organization. Restrictions released within one operating period are reported as unrestricted.

Permanently Restricted Net Assets - These assets result from contributions and other inflows of assets whose use by the Organization is restricted in perpetuity.

### **Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

### **Contributions**

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

### **Donated Materials and Services**

The Organization recognizes the value of volunteer services and expenses when there is an objective basis available to measure their value, relative to its various activities.

### **Cash and Cash Equivalents**

Cash and cash equivalents include demand deposits, petty cash funds and investments with a maturity of three months or less, and exclude amounts whose use is limited by Board designation. As of September 30, 2017 and 2016, the Organization had no cash equivalents.

### **Investments**

Investments consist of various equities, mutual funds and interest bearing investments and are stated at fair value on the statements of financial position based on quoted market prices. The Organization's investments are subject to various risks, such as interest rate, credit and overall market volatility, which may substantially impact the fair value of such investments at any given time.

### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to activities and a credit to a valuation allowance based on historical account write-off patterns by the payer, adjusted as necessary to reflect current conditions. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Organization has no policy for charging interest on overdue accounts nor are its accounts receivable pledged as collateral. Management has estimated accounts receivable to be fully collectible for the years ended September 30, 2017 and 2016.

### **Property, Plant, Equipment and Depreciation**

The Organization capitalizes property, plant and equipment purchased or donated at a value greater than \$1,000. Depreciation is provided for using the straight-line method in amounts designed to amortize the cost of the assets over their estimated useful lives as follows:

Buildings	20 years
Building improvements	7 – 20 years
Furniture, fixtures and equipment	5 years

Depreciation expense for the year ended September 30, 2017 and 2016 amounted to \$22,819 and \$24,216, respectively.

Costs for repairs and maintenance are expensed when incurred and betterments are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related accumulated depreciation, and any gain or loss is recognized.

The Organization reviews the carrying value of property, plant and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimating future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, as well as the effects of obsolescence, demand, competition and other economic factors.

As of September 30, 2017 and 2016, the Organization found no reason for impairment of any assets.

### **Summarized Financial Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2016, from which the summarized information was derived.

**Deferred Revenue**

The Organization recognizes revenues when earned. Amounts received in advance of the period in which service is rendered are recorded as a liability under "deferred revenue".

**Vacation Pay and Fringe Benefits**

Vacation pay is accrued and charged to the appropriate program expense when earned by the employee. Fringe benefits are allocated to the appropriate program expense based on the percentage of program salaries to total salaries.

**Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation.

Management has evaluated the Organization's tax positions and concluded that the Organization has maintained its tax-exempt status and has taken no uncertain tax positions that would require adjustment to the financial statements. The Organization is no longer subject to income tax examinations by the United States Federal or State tax authorities prior to 2013.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefitted.

**Advertising**

The Organization expenses advertising costs as incurred.

**NOTE 2****OTHER RECEIVABLES**

Other receivables consist of the following at September 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Town	\$ 1,500	\$ 1,550
Grants	<u>91,104</u>	<u>82,085</u>
Total other receivables	<u>\$ 92,604</u>	<u>\$ 83,635</u>

**NOTE 3****LINE OF CREDIT**

The Organization has available a \$150,000 revolving line of credit with a local bank, due upon demand. The credit line is secured by all assets. Bank advances on the credit line are payable on demand and carry an interest rate at prime (4.25% and 3.50% at September 30, 2017 and 2016, respectively). There was no outstanding balance at September 30, 2017 and 2016.

**NOTE 4      TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2017</u>	<u>2016</u>
Repairs and maintenance on EH building	\$ 133,094	\$ -
Time restricted appreciation on endowment funds	<u>23,412</u>	<u>7,677</u>
Total temporarily restricted net assets	<u>\$ 156,506</u>	<u>\$ 7,677</u>

**NOTE 5      ENDOWMENT**

The Organization's endowment consists of a gift restricted by a donor for long-term support of the Organization's youth mentoring program, and the accumulated investment returns on this gift. The accumulated investment returns consist of endowment net investment return that has not been appropriated by the Board of Trustees for expenditure to support operating and non-operating activities of the Organization.

**Spending Policy and How the Investment Objectives Relate to the Spending Policy**

The Organization's policy is to appropriate for distribution each year 0-6% of a 12 quarter moving average of the fund's total market value based upon the finance committee's annual recommendation and approved by the Board of Trustees. Distribution of funds shall not occur until after the fund has accumulated a value of \$100,000. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an average of 5 percent annually.

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires the Organization to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, there were no deficiencies of this nature that are reported in unrestricted net assets as of September 30, 2017 and 2016.

**Return Objectives and Risk Parameters**

The Organization has adopted investment and spending policies for endowment assets that attempt to provide additional funding to the youth mentoring program while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a weighted ratio on equity-based and fixed income investments to achieve its long-term return objectives within prudent risk constraints.



Endowment net asset composition by type of fund as of September 30, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ <u>-</u>	\$ <u>23,412</u>	\$ <u>50,947</u>	\$ <u>74,359</u>
Endowment net assets, beginning of year	\$ <u>-</u>	\$ <u>7,677</u>	\$ <u>50,947</u>	\$ <u>58,624</u>
Investment return:				
Investment income	-	690	-	690
Net appreciation (realized and unrealized)	-	15,045	-	15,045
Total investment return:	-	15,735	-	15,735
Endowment net assets, end of year	\$ <u>-</u>	\$ <u>23,412</u>	\$ <u>50,947</u>	\$ <u>74,359</u>

Endowment net asset composition by type of fund as of September 30, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ <u>-</u>	\$ <u>7,677</u>	\$ <u>50,947</u>	\$ <u>58,624</u>
Endowment net assets, beginning of year	\$ <u>-</u>	\$ <u>1,888</u>	\$ <u>50,447</u>	\$ <u>52,335</u>
Investment return:				
Investment income	-	8,535	-	8,535
Net appreciation (realized and unrealized)	-	(2,746)	-	(2,746)
Total investment return:	-	5,789	-	5,789
Contributions	-	-	500	500
Endowment net assets, end of year	\$ <u>-</u>	\$ <u>7,677</u>	\$ <u>50,947</u>	\$ <u>58,624</u>

**NOTE 6****LONG TERM DEBT**

Long term debt consisted of the following at September 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Interest free note payable to the City of Concord due in monthly installments of \$472 maturing in December 2017. The note is collateralized by property of the Organization.	\$ 1,417	\$ 7,084
Interest free note payable to the City of Concord with payments deferred until July 31, 2024 and collateralized by property of the Organization. Each year 5% of the original principal amount is forgiven. If the project does not meet certain covenants during the loan term, the remaining loan balance is payable in full.	<u>15,645</u>	<u>17,880</u>
Total	17,062	24,964
Less current portion due within one year	<u>(3,652)</u>	<u>(7,902)</u>
Total long term debt	<u>\$ 13,410</u>	<u>\$ 17,062</u>

As part of the notes payable agreement with the City of Concord, 5% of the original principal balance was reduced without payment in the amount of \$2,235 for the years ended September 30, 2017 and 2016.

The scheduled maturities of long term debt at September 30, 2017 were as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2018	\$ 3,652
2019	2,235
2020	2,235
2021	2,235
2022	2,235
Thereafter	<u>4,470</u>
	<u>\$ 17,062</u>

**NOTE 7****DEFERRED REVENUE**

Deferred revenue consists of the following at September 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Town	\$ 3,333	\$ 6,092
Grants	<u>13,145</u>	<u>8,693</u>
Total deferred revenue	<u>\$ 16,478</u>	<u>\$ 14,785</u>

**NOTE 8**      **CONCENTRATION OF RISK**

The Organization received approximately 39% and 43% of its total support for the years ended September 30, 2017 and 2016, respectively, from the Corporation for National and Community Service. The Corporation for National and Community Service consisted of approximately 42% and 44% of other receivables at September 30, 2017 and 2016, respectively.

**NOTE 9**      **LEASE COMMITMENTS**

The Organization has entered into various operating lease agreements to rent certain facilities and office equipment. The terms of these leases range from five to six years. Rent expense under these agreements aggregated \$54,633 and \$54,260 for the years ended September 30, 2017 and 2016, respectively.

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

<u>Year Ending September 30</u>	<u>Amount</u>
2018	\$ 55,121
2019	55,603
2020	56,144
2021	31,244
2022	<u>3,022</u>
Total	<u>\$ 201,134</u>

**NOTE 10**      **INVESTMENTS**

The Organization's investments are presented in the financial statements in the aggregate at fair value and consisted of the following as of September 30, 2017 and 2016:

	<u>2017</u>		<u>2016</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
<b>Investments</b>				
Cash and cash equivalents	\$ 12,179	\$ 12,179	\$ 9,349	\$ 9,349
Equities	285,686	336,628	173,489	290,104
Fixed income securities	<u>167,905</u>	<u>164,821</u>	<u>156,870</u>	<u>171,039</u>
Total	<u>\$ 465,770</u>	<u>\$ 513,628</u>	<u>\$ 339,708</u>	<u>\$ 470,492</u>

Investments in common stock and U.S. government securities are valued at the closing price reported in the active market in which the securities are traded. Management considers all investments to be long term in nature.

**Components of investment return:**

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 9,829	\$ 16,437
Investment fees	(4,263)	(1,195)
(Loss) gain – unrealized	(83,149)	17,184
Gain – realized	<u>120,748</u>	<u>12,104</u>
Total investment return	<u>\$ 43,165</u>	<u>\$ 44,530</u>

There were no significant investment management fees for either year ended September 30, 2017 and 2016.

**NOTE 11      FAIR VALUE MEASUREMENTS**

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

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

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

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

The Organization's financial instruments consist of cash, short-term receivables and payables, and refundable advances. The carrying value for all such instruments, considering the terms, approximates fair value at September 30, 2017 and 2016.

The table below segregates all financial assets and liabilities as of September 30, 2017 and 2016 that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date:

<u>2017</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Investments</b>				
Cash and equivalents	\$ 12,179	\$ -	\$ -	\$ 12,179
Equities	164,821	-	-	164,821
Fixed income securities	<u>336,628</u>	<u>-</u>	<u>-</u>	<u>336,628</u>
Total investments at fair value	<u>\$ 513,628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 513,628</u>

<u>2016</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Investments</b>				
Cash and equivalents	\$ 9,349	\$ -	\$ -	\$ 9,349
Equities	290,104	-	-	290,104
Fixed income securities	<u>171,039</u>	<u>-</u>	<u>-</u>	<u>171,039</u>
Total investments at fair value	<u>\$ 470,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 470,492</u>

**NOTE 12** **RECLASSIFICATIONS**

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These classifications had no effect on the previously reported change in net assets, or net assets amounts.

**NOTE 13** **PRIOR PERIOD ADJUSTMENT**

The Organization recorded an accrued maintenance liability in the previously issued financial statements which was later determined to not meet expense recognition requirements under Generally Accepted Accounting Principles (GAAP). This adjustment resulted in the following changes to the September 30, 2016 financial statements:

<u>Statement of Financial Position</u>	<u>Balance as Previously Reported</u>	<u>Increase (Decrease)</u>	<u>Balances Restated</u>
Other accrued liabilities	\$ 26,624	\$ (29,913)	\$ -
Total liabilities	126,867	(29,913)	96,954
Unrestricted, board designated	452,305	29,913	482,218
Total net assets	799,981	29,913	829,894
Total net assets and liabilities	\$ 926,848	\$ -	\$ 926,848
 <u>Statement of Activities</u>	 <u>Balance as Previously Reported</u>	 <u>Increase (Decrease)</u>	 <u>Balances Restated</u>
Repairs and maintenance expense	\$ 19,511	\$ (3,289)	\$ 16,222
Total expense	1,722,941	(3,289)	1,719,652
Change in net assets	\$ (723)	\$ (3,289)	\$ 2,566

**NOTE 14** **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 10, 2017, the date which the financial statements were available to be issued, and has not evaluated subsequent events after that date. The Friends Program, Inc. did not identify any subsequent events that would require disclosure in the financial statements.

**The Friends Program**  
**FY2020 Board of Trustees** (Updated 05/01/2020)

Residence/Preferred E-Mail	Professional Affiliation	Committee(s)	Term Ends
<b>Kathleen Ames</b> Since: 1/13/2016	Community Supporter	<i>Vice President</i> Finance Personnel Foster Grandparent Advisory Chair	2021
<b>Celia Chase</b> Since: 10/11/2017	VP of Marketing Global Rescue 85 Mechanic Street Lebanon, NH 03766 Tel.: 603-443-5400	Development	2020
<b>Allen Desbiens</b> Since: 9/10/2014	Senior Corporate Analyst Eversource Energy 780 N. Commercial Street Manchester, NH 03101 Tel. 603-634-2524	<i>Treasurer</i> Finance Chair Executive EH Task Force	2021
<b>Catherine Devaney</b> Since: 9/12/2012	Regional Director of Case Management Encompass Health 19 Buckingham Drive Bow, NH 03304 Tel. 603-275-7444	Personnel Chair Executive	2021
<b>Joanne Gagnon</b> Since: 9/14/2011	VP – Commercial Banker Bank of New Hampshire 167 North Main Street Concord, NH 03301 Tel. 603-230-4228	<i>President</i> Executive	2019
<b>Susan Geiger</b> Since: 9/12/2018	Attorney Orr & Reno, P.A. 45 South Street Concord, NH 03302 Tel. 603-223-9154 sgeiger@orr-reno.com	Development	2021
<b>Lindsay Gonzalez</b> Since: 11/9/2016	Director of Community Relations Granite Ledges of Concord 151 Langley Parkway Concord, NH 03301 Tel: 603-224-0777	Program	2019

Residence/Preferred E-Mail	Professional Affiliation	Committee(s)	Term Ends
<b>Robyn Guarino</b> Since: 9/12/2018	Attorney The Stein Law Firm, PLLC One Barberry Lane Concord, NH 03301 Tel: 603-228-1109 rguarino@steinlawpllc.com	Personnel	2021
<b>Jason LaCombe</b> Since: 12/14/2016	Principal SMP Architecture 30 So. Main Street, Building Two Concord, NH 03301 Tel: 603-228-8880	Program EH Task Force	2019
<b>Laura Miller</b> Since: 3/8/2017	Owner Marketplace New England, Inc. 7 North Main Street Concord, NH 03301 Tel: 603-227-6297	Program	2020
<b>Donna Rice</b> Since: 10/9/2013	Commercial Realtor and Business Manager Premiere Properties 255 South Main Street Concord, NH 03301 Tel: 603-224-3373	Development Chair Nominating Executive	2019
<b>Chris Senko</b> Since: 2/9/2018	Medical Administrator Community Supporter	Secretary Executive Program	2021
<b>Angela Strozewski</b> Since: 1/13/2016	Senior Vice President Operations Officer New Hampshire Mutual Bancorp. 89 No. Main Street Concord, NH 03301 Tel. 603-223-2691	Program Chair Finance Executive	2020
<b>Nancy Paul</b> npaul@friendsprogram.org	Executive Director The Friends Program 202 N. State Street Concord, NH 03301 Tel. 603-228-7606		



# **Lorrie Brown**

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**Objective:** To continue working in my present capacity, utilizing my communication, training, and client support skills.

## **Education**

1995-1996: Computer Technical School, Associates in Computer Software, repair, Programming, and Network.

1986-1988: Franklin Peirce College, Business Management

## **Employment**

### **2012 – Present: Friends Emergency Housing – Program Director**

Responsible for the day to day operation of the Friends Emergency Housing Program and for assisting in the contribution of the formulation, development, recommendation, implementation and administration of the agency program's policies, procedures, and business goals.

Responsible for the supervision of all program staff, program activities, building maintenance, and client case management.

### **2011 – 2012 – Outfitters Boutique – Associate**

Responsible for customer services, receiving donations, sorting, loading and unloading of furniture.

### **2008: Franklin Career Academy – Technology Instructor; Office Secretary.**

Responsible for supervision of students, course planning, reporting to DOE, preparing and reporting of budget reports to board meetings, inventory, and assisting with permanent closing of school.

### **2005-2006: Premium Gas, Convenient Store/gas station – Owner/Operator**

Responsible for overall operations of business; including payroll, budgeting, ordering, scheduling, accounting, customer service.

**1999 – 2000: Crotched Mountain Residential – Program Coordinator**

Responsible for budgeting, scheduling, payroll, supervision of 10 staff, house maintenance, direct care of residents, hiring, working closely with residential nurse, client physicians, and families/guardians to ensure best medical care.

**1990 -1999 Mentor – Program Coordinator** (Company's contract was taken over by Crotched Mountain. My position stayed the same, but I transferred employer).

Responsible for budgeting, scheduling, payroll, supervision of 10 staff, house maintenance, direct care of residents, hiring, working closely with residential nurse, client physicians, and families/guardians to ensure best medical care.

**Volunteer Work**

Volunteered as Assistant Computer Instructor –Franklin Middle School.

Years of PTA,PTO, and other school committee/classroom involvement.

Served on a Committee designated to hire Franklin School District Administration.

Years of service to Youth tball/baseball.

www.humanrightsrecord.org 278-2606 paul@friends.org

Effectively manage staff and volunteers. Successful cultivating sponsors, securing, and administering grants. Experienced non-profit and outreach manager. Proven ability to manage complex projects with dispersed teams. Excellent trainer, presenter and facilitator.

**FRIENDS PROGRAM – CONCORD, NH**

- Responsible for overall operations and management of a human services non-profit with four programs and 24 staff

- Lead two volunteer-driven National Service programs for 625 older adults, providing educational support, supportive services for the elderly and disabled, and capacity building for nonprofits, schools, and public agencies
- Manage team of six program coordinators
- Oversee two federal grants totaling more than \$700,000 in annual funding
- Administered all aspects of 34 separate grants, including application, reporting, and invoicing
- Created a comprehensive outreach plan to build program recognition and awareness in the state
- Facilitated the creation of a community advisory group in support of program success
- Increased volunteer recruitment and engagement across both programs within one year

*Partner Services Team Lead FTC, October 2013 – December 2015*

- Recruit, train and manage universities, non-profits and science centers to operate volunteer educational outreach program in 30 regions
- Expanded international youth program from 3 countries to 16 countries
- Create strategy for, plan and execute annual volunteer leadership conference
- Lead successful national implementation of new event tier with a budget of \$450,000 to build capacity
- Proactively identify regions in need of special assistance and implement improvement plans to achieve highest level of program execution
- Primary daily contact for senior leadership of sponsoring organization and key foundation relationship
- Drive connections between sponsor organizations and local program operators to maximize employee engagement
- Administer domestic and international grants of up to \$500,000, from proposal development through final reporting

- Ensure consistent program operation in 60 countries globally
- Collaborate with program team at LEGO Education, Denmark, and LEGO Education Territory Managers around the world
- Create content for, plan and execute annual volunteer leadership conferences held in Europe and Asia
- Serve as primary contact at *FIRST* for program operators outside of the US and Canada
- Develop strategy and create content for new international website with small web development team

- Resolve regional issues elevated from other Partner Services team members
- Supervise day-to-day work of Partner Services team

## NANCY M. PAUL

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- Coordinate a cross-functional team to achieve department goals

### *Partner Services Manager FLL, May 2006 – May 2008*

- Cultivate relationships with local tournament organizers and upgrade relationships to full official program operation status
- Create content for, plan and execute annual volunteer leadership conferences held at *FIRST*

### *Partner Coordinator FLL, October 2004 – May 2006*

- Recruit, train and manage program operators in North America
- Serve as primary source of communication between *FIRST* and program operators
- Provide volunteer management support for international championship

### NH MARCH OF DIMES – CONCORD, NH

#### *Community Director, January 2004 – October 2004*

- Enlist and oversee volunteer committees organizing fundraising events in five cities in Southern New Hampshire
- Cultivate and proactively manage relationships with major corporate fundraising partners of the March of Dimes
- Create and present sponsorship proposals to, and secure sponsorships from, local companies for WalkAmerica walkathon events

### THE ENGINEERING CENTER – BOSTON, MA

#### *Administrative Manager, October 2001 – July 2003*

- Oversee membership initiative programs for a trade association and a professional society
- Coordinate all phases of event planning, from site inspection and negotiation through invoicing, for more than 70 meetings and seminars annually, representing more than \$200,000 in revenue, and more than 5,000 total attendees
- Represent The Engineering Center for inaugural Massachusetts Construction Career Days Committee, creating a two-day outreach event for 1100 high school students
- Facilitate annual event including luncheon for 500, seminars and a career fair with Engineers Week – Boston Committee

#### *Membership Coordinator, November 1999 – October 2001*

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## EDUCATION AND PROFESSIONAL DEVELOPMENT

### TOASTMASTERS INTERNATIONAL

Top of the Town Club President 2014-2015

### INTERACTION INSTITUTE FOR SOCIAL CHANGE

Courses in Facilitative Leadership and Essential Facilitation

### UNITED STATES CHAMBER OF COMMERCE INSTITUTE FOR ORGANIZATION MANAGEMENT

2000, 2001, 2002

### SOUTHERN NEW HAMPSHIRE UNIVERSITY, MANCHESTER, NH 2014 – PRESENT

Currently enrolled in B.S.B.A. Program

### COLLEGE OF NEW ROCHELLE, NEW ROCHELLE, NY

Completed 57 credits toward Bachelor of Arts degree in Political Science 1989 – 1991

### SUMMARY

Focus on individualized goals, rehabilitation, benefits and housing. Facilitate support groups, creative activities and didactic presentations to build skills and effective problem solving. Experienced and educated for enrichment of mental health, cognitive reinforcement and behavioral supports and interventions.

### AREAS OF EXPERTISE

- Evidence Based Practice, vocational development, referral of community services
- Develop a genuine rapport to assist clients and meet their individual goals
- Staff meetings, employee evaluations, scheduling, continuum of care
- Case management, evaluate needs for specific services for individualized needs/goals

### EXPERIENCE

NHEP Workplace Success

**Community Job Specialist**

03/2018-1/2019

- Guide individuals setting career goals, competitive employment with internships and job readiness
- Team collaboration, NHEP/WPS services, classroom supports, reports and documentation

Angie's (New Horizons for NH)

**House Manager/Case Manager/Supervisor**

12/2013-9/2017 & 5/2008-9/2009

- Facilitate interviews for hire, evaluations, staff scheduling and staff meetings
- Intake and referral, goal setting for integrated services to support program participants
- Continuum of Care affiliation and chairing individualized committees

Mental Health Center of Greater Manchester

03/2011-12/2013

**Individual Placement Specialist**

- Supportive services for Co-occurring Diagnosis, Evidence Based Supported Employment, Motivational Interviewing, Behavioral Analysis, benefits, housing and education support

Easter Seals Farnum Center, NH

**Residential Instructor**

9/2009-03/2011

- Perform duties supporting substance use diagnosis for treatment goals, facilitating groups and activities
- Medication support, documentation, facility orientation and crisis intervention
- Didactic presentations, facilitating groups, craft and creative activities

Keystone Hall, Nashua, NH

**Milieu Manager**

3/2007 -5/2008

- Complete intakes, screenings, crisis intervention, facility monitoring and leading educational groups
- Guidance to individuals seeking, support, treatment and referral services for substance use disorder

Easter Seals NH, Manchester, NH

10/2001-3/2007

**Job Placement Specialist**

- Assess each client's work history, skills, set goals for employment and networking with area businesses
- Contracted through Vocational Rehabilitation and resourcing to expand services to clients

### EDUCATION

Springfield College, Manchester, NH

**Human Services and Addiction Studies B.S. 2009**

University of Maine, Farmington, ME

**Special Education and Performing Arts 1994-1996**

### ADDITIONAL TRAININGS

Illness Management Recovery, Dialectical Behavior Therapy, Motivational Interviewing, Integrated Treatment for Co-Occurring Disorders, Cognitive Behavioral Therapy, Microsoft Word/Excel, Outlook, HMIS

### VOLUNTEER/COMMITTEE MEMBER

NH Massabesic Audubon Center **2015-Present**

Greater Manchester Council Against Domestic and Sexual Violence **2015-2017**

## CONTRACTOR NAME

### Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Nancy Paul	Executive Director	77,750	25% spent on shelter	Unknown (\$11 per service occurrence at shelter)
Lorrie Brown	Program Director	45,000	100% spent on shelter	Unknown (\$11 per service occurrence at shelter)
Cheryl Evans-Hunt	Case Manager	33,150	100% spent on shelter	Unknown (\$11 per service occurrence at shelter)