

STATE OF NEW HAMPSHIRE
 DEPARTMENT OF HEALTH AND HUMAN SERVICES
 DIVISION OF COMMUNITY BASED CARE SERVICES

Bureau of Drug and Alcohol Services

Jeffrey A. Meyers
 Acting Commissioner

Kathleen Dunn
 Associate Commissioner

105 PLEASANT STREET, CONCORD, NH 03301
 603-271-6738 1-800-804-0909
 Fax: 603-271-6105 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

January 25, 2016

Her Excellency, Governor Margaret Wood Hassan
 and the Honorable Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Community Based Care Services to enter into a **sole source** agreement with Southwestern Community Services, Inc. (Vendor # 177511-P001) 63 Community Way, Keene, NH 03431 for the provision of Regional Access Point Services that will assist individuals who have substance use disorders access the help they need in an amount not to exceed \$211,500 effective upon Governor and Executive Council approval through June 30, 2017. 44% Federal, 56%General.

Funds to support this request are available in the following accounts in State Fiscal Year 2016 and State Fiscal Year 2017, upon the availability and continued appropriation of funds in the operating budget, with the authority to adjust encumbrances between state fiscal years through the Budget Office, if needed and justified, without further approval from the Governor and Executive Council.

05-95-49-491510-2989 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: DIV OF COMM BASED CARE SVC, BUREAU OF DRUG & ALCOHOL SVCS, GOVERNOR COMMISSION FUNDS (100% General Funds)

| FISCAL YEAR | CLASS | TITLE | ACTIVITY CODE | AMOUNT |
|-------------|------------|----------------------------|-------------------|------------------|
| 2016 | 102-500734 | Contracts for Program Svcs | | \$52,100 |
| 2017 | 102-500734 | Contracts for Program Svcs | | \$125,000 |
| | | | SUB TOTAL: | \$177,100 |

05-95-49-491510-2990 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: DIV OF COMM BASED CARE SVC, BUREAU OF DRUG & ALCOHOL SVCS, CLINICAL SERVICES (34.4% General 65.6% Federal)

| FISCAL YEAR | CLASS | TITLE | ACTIVITY CODE | AMOUNT |
|-------------|------------|----------------------------|------------------------|------------------|
| 2016 | 102-500734 | Contracts for Program Svcs | | \$10,100 |
| 2017 | 102-500734 | Contracts for Program Svcs | | \$24,300 |
| | | | SUB TOTAL: | \$34,400 |
| | | | Contract Total: | \$211,500 |

22 mac

EXPLANATION

This is a **sole source** agreement because the Governor's Commission on Alcohol and Drug Abuse Prevention, Treatment and Recovery (Governor's Commission) selected to fund this vendor to model Regional Access Point Services for other areas of the State.

The purpose of this agreement is for the provision of substance use disorder (SUD) information, screening, evaluation, and referral services to any individual living, working, or otherwise seeking services in the Greater Monadnock Regional Public Health Network. The Regional Access Point Service Program provides a wide array of services from housing stabilization to case management assistance, which includes scheduling appointments as well as ensuring that evaluations and screening processes are completed. Additionally, the program ensures appropriate referrals are made while maintaining continual communication with clients in order to record progress. This program will be monitored through each stage and will be analyzed for the viability of the program if introduced in other areas of the State.

This agreement contains language which allows the Department to extend for up to two (2) additional years, subject to the continued availability of funds, satisfactory performance of services and Governor and Executive Council approval.

Should Governor and Executive Council not approve this request, the Department would not have the information to make an informed decision regarding the viability of the Regional Access Point Services Program in other parts of the State.

If general funds become no longer available, no federal funds will be requested to support this agreement.

Area Served: City of Keene, and the towns of Alstead, Chesterfield, Dublin, Fitzwilliam, Gilsum, Harrisville, Hinsdale, Jaffrey, Marlborough, Marlow, Nelson, Richmond, Rindge, Roxbury, Stoddard, Sullivan, Surry, Swanzey, Troy, Walpole, Westmoreland, Antrim, Bennington, Frankestown, Greenfield, Greenville, Hancock, New Ipswich, Peterborough, Sharon, and Temple

Source of Funds: 44% Federal, 56%General

Respectfully submitted,



Kathleen Dunn
Associate Commissioner

Approved by:



Jeffrey A. Meyers
Acting Commissioner

Subject: Substance Use Disorder Regional Access Point Services

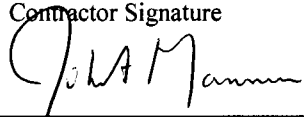
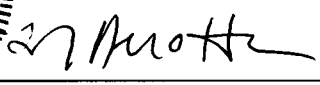
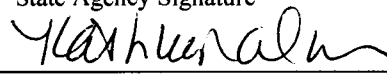
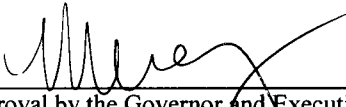
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

| | | | |
|--|--|--|-----------------------------------|
| 1.1 State Agency Name Department of Health & Human Services | | 1.2 State Agency Address 129 Pleasant Street Concord, NH 03301 | |
| 1.3 Contractor Name Southwestern Community Services, Inc. | | 1.4 Contractor Address 63 Community Way Keene, NH 03431 | |
| 1.5 Contractor Phone Number (603) 352-7512 | 1.6 Account Number 05-95-49-491510-29890000 05-95-49-495150-29900000 | 1.7 Completion Date June 30, 2017 | 1.8 Price Limitation \$211,500 |
| 1.9 Contracting Officer for State Agency Eric D. Borrin, Director | | 1.10 State Agency Telephone Number (603) 271-9558 | |
| 1.11 Contractor Signature  | | 1.12 Name and Title of Contractor Signatory John A. Manning, Chief Executive Officer | |
| 1.13 Acknowledgement: State of N.H. , County of Cheshire , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12. Signature of Notary Public or Justice of the Peace  | | | |
| Name and Title of Notary or Justice of the Peace Leisa Perrotta, Notary | | | |
| 1.14 State Agency Signature  | | 1.15 Name and Title of State Agency Signatory KATHLEEN A DUNN ASSOCIATE COMMISSIONER | |
| Date: 1/25/16 | | | |
| 1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____ | | | |
| 1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: Megan A. Yule - Attorney 2/12/14 | | | |
| 1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____ | | | |

JM
1/20/16

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, 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 1.18, 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 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

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

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

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

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

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

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

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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

Contractor Initials jm
Date 1/20/16



Exhibit A

Scope of Services

1. Provisions Applicable to All Services

- 1.1. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.2. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to program services within ten (10) days of the contract effective date.
- 1.3. The Contractor shall pursue any and all appropriate public sources of funds that are applicable to the funding of the Services, operations prevention, acquisition, or rehabilitation. Appropriate records shall be maintained by the Contractor to document actual funds received or denials of funding from such public sources of funds.
- 1.4. For the purposes of this contract, any reference to days shall mean calendar days.
- 1.5. For the purposes of this contract, all data entry, documentation and recording shall be completed using the Web Information Technology System (WITS) currently used by the Contractor to provide similar services.
- 1.6. The Contractor shall obtain and maintain a service site, which shall comply with all fire, health, and safety codes which shall include but not be limited to being handicap and wheelchair accessible.
- 1.7. The Contractor shall obtain written approval from the Department prior to entering into any agreement regarding service site relocation.
- 1.8. The Contractor shall comply with the Department's Sentinel Event policy in Exhibit A-1, Sentinel Event Policy.
- 1.9. The Contractor shall participate in the Regional Public Health Network(s) associated the towns served by the Regional Access Point (RAP), which shall include, but not be limited to:
 - 1.9.1. Working with the Continuum of Care Facilitator(s) in the development of a resiliency and recovery oriented system of care (RROSC) in the region(s).
 - 1.9.2. Participating in the Regional Continuum of Care Workgroup(s).
- 1.10. The contractor shall engage in quality assurance and management activities, which shall include but not be limited to:



Exhibit A

- 1.10.1. Site reviews by the Department.
- 1.10.2. Other quality assurance and management activities, as determined by the Department.

2. Services to Be Provided

- 2.1. The Contractor shall develop a Pilot Regional Access Point (RAP) for the provision of substance use disorder (SUD) information, screening, evaluation, and referral services to any individual living, working, or otherwise seeking services in the Greater Monadnock Regional Public Health Network, which includes the City of Keene and the towns of Alstead, Chesterfield, Dublin, Fitzwilliam, Gilsum, Harrisville, Hinsdale, Jaffrey, Marlborough, Marlow, Nelson, Richmond, Rindge, Roxbury, Stoddard, Sullivan, Surry, Swanzey, Troy, Walpole, Westmoreland, Antrim, Bennington, Francestown, Greenfield, Greenville, Hancock, New Ipswich, Peterborough, Sharon, and Temple. The Contractor shall, at a minimum, provide the Department with:
 - 2.1.1. Detailed information on the Contractor's existing Access Point services, which shall include but is not limited to:
 - 2.1.1.1. A summary description of the current model used to assist individuals through the Housing Stabilization Program.
 - 2.1.1.2. Name and contact information of current community partners.
 - 2.1.1.3. How the model was developed, implemented and sustained.
 - 2.1.2. A referral model plan that details how the current Access Point referral model in Section 2.1.1 will be modified to sustain a Regional Access Point.
 - 2.1.3. The Contractor shall work with the Department and the Center for Excellence (Bureau of Drug and Alcohol Services Technical Assistance Contractor) in other areas of the State to assist with replication of this model.
- 2.2. The Contractor shall provide Regional Access Point (RAP) services to assist individuals who have substance use disorders who:
 - 2.2.1. Are age 12 or older or under age 12 with the consent of a parent or other legal guardian, with substance use disorders; and
 - 2.2.2. Are Residents of or homeless in New Hampshire.
- 2.3. The Contractor shall conduct outreach activities to promote and market Regional Access Point (RAP) services, statewide, to individuals, health and social service agencies, businesses and community members. The Contractor shall ensure outreach activities include but are not limited to:



Exhibit A

- 2.3.1. Developing printed materials using customized versions of 'Anyone Anytime NH,' for broad distribution, which may include, but is not limited to:
 - 2.3.1.1. Brochures.
 - 2.3.1.2. Flyers.
 - 2.3.1.3. Display posters.
 - 2.3.1.4. Pens.
 - 2.3.1.5. Magnets.
 - 2.3.1.6. Other marketing tools.
- 2.3.2. Publicizing telephone numbers, web addresses and other contact information associated with the information channels described in Section 2.4.
- 2.3.3. Establishing and actively monitoring social media sites, which may include Facebook and Twitter.
- 2.3.4. Ensuring outreach activities target core community sectors that include, but are not limited to:
 - 2.3.4.1. Health & medical.
 - 2.3.4.2. Safety & law enforcement.
 - 2.3.4.3. Education.
 - 2.3.4.4. Business.
 - 2.3.4.5. Government.
 - 2.3.4.6. Community & family supports.
- 2.4. The Contractor shall develop multiple information channels by which an individual may request information that shall include, but not be limited to telephone, e-mail, and in-person. The Contractor shall:
 - 2.4.1. Respond to all requests for information within 24 hours of receiving requests for information.
 - 2.4.2. Ensure, at minimum, one information channel is available to the public 24 hours per day, 7 days per week, which may include a live answering service during 'off hours.'



Exhibit A

- 2.4.3. Ensure information available through all information channels includes, but is not limited to types and locations of services available:
 - 2.4.3.1. For Substance Use Disorder (SUD) treatment.
 - 2.4.3.2. For SUD recovery support.
 - 2.4.3.3. To support friends, family members and other concerned individuals.
- 2.5. The Contractor shall respond to requests for substance use disorders treatment services by scheduling a screening appointment for the client. The Contractor shall:
 - 2.5.1. Ensure the screening appointment is scheduled within 48 hours of the client's initial request for services.
 - 2.5.2. Provide an appointment date that is within ten (10) days of scheduling the appointment.
 - 2.5.3. Ensure the screening appointment:
 - 2.5.3.1. Can be completed by the client in person; by telephone, or face-to-face.
 - 2.5.3.2. Is completed by a Certified Recovery Support Worker (CRSW), who shall, at a minimum:
 - 2.5.3.2.1. Gather client demographic, contact, and emergency contact information.
 - 2.5.3.2.2. Identify payer sources available to the client
 - 2.5.3.2.3. Use an evidence based screening tool, as approved by the Department, to determine the likelihood of a substance use disorder, as defined by the DSM 5.
 - 2.5.4. Document client profile, intake and admission information in WITS within 3 days of completing the screening.
- 2.6. The Contractor shall schedule, either directly or through Memorandums of Understanding with SUD treatment providers in the service area, evaluations of clients who screen positive for substance use disorder within 48 hours of the completed screening in Section 2.5, as appropriate. The Contractor shall ensure:
 - 2.6.1. Evaluations are completed within 10 days of scheduling the evaluation.
 - 2.6.2. Evaluations are completed by a Licensed Alcohol and Drug Counselor (LADC) or Master Licensed Alcohol and Drug Counselor (MDLAC).



Exhibit A

- 2.6.3. Clients are assessed in all American Society of Addiction Medicine (ASAM, October 2013) dimensions.
- 2.6.4. Evaluations are completed using one or more evidence based evaluation tools.
- 2.6.5. Evaluations meet 'Addiction Counseling Competencies, TAP 21' standards. (<http://store.samhsa.gov/product/TAP-21-Addiction-Counseling-Competencies/SMA15-4171>)
- 2.6.6. Evaluations include a DSM 5 Substance Use Disorder diagnosis when appropriate.
- 2.6.7. Recommendations are provided to clients diagnosed as having a substance use disorder, as appropriate, which may include, but are not be limited to, recommendations for:
 - 2.6.7.1. An initial ASAM level of care.
 - 2.6.7.2. Recovery support and/or other needed services.
 - 2.6.7.3. Interim services if the indicated ASAM level of care is not immediately available to the client.
- 2.6.8. Diagnosis information is entered into WITS within three (3) days of completing each evaluation.
- 2.7. The Contractor shall provide referral services to clients in order to meet the recommendations that result from the evaluation in Section 2.6.7 The Contractor shall:
 - 2.7.1. Ensure referral services are provided by a CRSW or a Coordinated Access Specialist who attains certification as a CRSW within 6 months of the contract effective date.
 - 2.7.2. Ensure referral services include, but are not limited to:
 - 2.7.2.1. Identifying provider agencies that can meet the evaluation recommendations in Section 2.6.6.
 - 2.7.2.2. Contacting the provider agency on behalf of the client, as appropriate.
 - 2.7.2.3. Assisting the client with making contact with the provider agency, as appropriate.
 - 2.7.2.4. Supporting the client in meeting the admission/entrance/intake requirements of the provider agency.



Exhibit A

- 2.7.3. Develop and maintain a database of provider agencies to meet the needs of clients, which may include, but are not limited to:
 - 2.7.3.1. Substance use disorder treatment and recovery support services.
 - 2.7.3.2. Physical health services.
 - 2.7.3.3. Behavioral health services.
 - 2.7.3.4. Employment and education services.
 - 2.7.3.5. Housing services.
- 2.7.4. Ensure Memorandums of Understanding are executed with SUD treatment and peer recovery support services providers in the community to ensure clients can access interim and other services within 7 days of completed evaluations described in Section 2.6.
- 2.8. The Contractor shall assist clients to enroll with payer services. The Contractor shall:
 - 2.8.1. Assess clients for probable eligibility for public or private insurance, such as Medicaid; the New Hampshire Health Protection Program (NHHPP); and Qualified Health Plans available through the Marketplace.
 - 2.8.2. Assist clients with enrollment with the appropriate payer. Assistance shall include, but not be limited to:
 - 2.8.2.1. Providing one-on-one support to clients throughout the enrollment process.
 - 2.8.2.2. Providing clarification on information that needs to be provided to the payer agency to ensure enrollment can be completed by the client.
- 2.9. The Contractor shall provide Continuous Recovery Monitoring services to clients who are not currently receiving Continuous Recovery Monitoring services through a Department-contracted SUD treatment provider. The Contractor shall:
 - 2.9.1. Attempt to contact each client a minimum of three (3) times over the course of one week. The Contractor shall:
 - 2.9.1.1. Attempt contact by telephone at a reasonable time when the client would normally be available.
 - 2.9.1.2. Attempt a second contact, as necessary, by telephone at a reasonable time when the client would normally be available no sooner than 2 days and no later than 3 days after the first attempt in Section 2.9.1.1.



Exhibit A

- 2.9.1.3. Attempt a third contact, as necessary, by telephone at a reasonable time when the client would normally be available, no sooner than 2 days and no later than 3 days after the second attempt in Section 2.9.1.2.
 - 2.9.1.4. Not exceed twelve (12) attempts in a thirty (30) day period.
 - 2.9.1.5. No further billing shall occur when unsuccessful contact with the client occurs for thirty (30) consecutive days until such time the client is successfully contacted, at which time billing limitation in Exhibit B, Method and Conditions Precedent to Payment shall apply.
 - 2.9.2. Contact clients as frequently as weekly and no less frequently than:
 - 2.9.2.1. 3 months post-discharge from the last treatment service (60 – 120 days post discharge).
 - 2.9.2.2. 6 months post-discharge from the last treatment service (150 – 210 days post discharge).
 - 2.9.2.3. 12 months post-discharge from the last treatment service (330 - 390 days post discharge).
 - 2.9.3. Inquire on the status of each client's recovery.
 - 2.9.4. Identify any client needs.
 - 2.9.5. Assist the client with addressing the needs identified in Section 2.9.4.
 - 2.9.6. Provide early intervention to clients who have relapsed or whose recovery is at risk, as identified in Section 2.9.4, and record the same.
 - 2.9.7. Complete the Client Follow-Up in WITS within 3 days of each completed contact identified in Section 2.9.2.
- 2.10. The Contractor shall enter client discharge information into WITS within 3 days of client discharge.

3. Data and Reporting Requirements

- 3.1. The Contractor shall provide monthly reports that include, but are not limited to:
 - 3.1.1. Time lapses for services including, but not limited to:
 - 3.1.1.1. Initial client contact to screening.
 - 3.1.1.2. Screening to evaluation.



Exhibit A

- 3.1.1.3. Evaluation to interim services.
- 3.1.1.4. Evaluation to regular services.
- 3.1.2. Type of payer enrollment assessment and/or assistance provided, as described in Section 2.7.
- 3.2. The Contractor shall provide monthly reports identifying SUD treatment and peer recovery support services providers with whom Memorandums of Understanding have been executed to provide contracted services. Reports shall include, but not be limited to:
 - 3.2.1. Name, location, and contact information of the provider.
 - 3.2.2. Specific services provided by the provider.
- 3.3. The Contractor shall provide monthly reports that identify specific marketing activities conducted as required in Section 2.3. Reports shall include, but are not limited to:
 - 3.3.1. Types of marketing materials developed.
 - 3.3.2. Venues where materials are displayed and/or available for hand out.
 - 3.3.3. Methods of marketing delivery.
 - 3.3.4. A plan for marketing that will be conducted in the following month.
- 3.4. The Contractor shall comply with the reporting requirements listed in Section 2.9, in accordance with the following schedule with the first report due on April 1, 2016:
 - 3.4.1. Three (3) month follow ups completed for all clients with a discharge date prior to March of 2017.
 - 3.4.2. Six (6) month follow-ups completed for all clients with a discharge date prior to January of 2017.
 - 3.4.3. Twelve (12) month follow ups completed for all clients with a discharge date prior to July of 2016.

4. Minimum Performance Measures

- 4.1. The Contractor shall comply with Continuous Recovery Monitoring contacts described in Section 2.9, as follows:
 - 4.1.1. Twenty-five percent (25%) of discharged clients shall be contacted three (3) months after discharge.
 - 4.1.2. Ten percent (10%) of discharged clients shall be contacted (6) months after discharge.



Exhibit A

- 4.1.3. Five percent (5%) of discharged clients shall be contacted twelve (12) months after discharge.

5. Deliverables

- 5.1. The Contractor shall provide the referral model information and plan described in Section 2.1 to the Department with nineteen (19) days of the Contract effective date.
- 5.2. The Contractor shall provide a sample of all marketing materials to the Department within three (3) days of developing the materials described in Section 2.3.
- 5.3. The Contractor shall respond to all requests for information described in Section 2.4 within 24 hours of receiving the requests.
- 5.4. The Contractor shall ensure screening appointments described in Section 2.5 are available within 48 hours of receiving clients' requests for services.
- 5.5. The Contractor shall ensure evaluations in Section 2.6 are available within 2 days of the completed screening described in section 2.5.
- 5.6. The Contractor shall ensure clients can access interim and other services within seven (7) days of completing evaluations described in Section 2.6.
- 5.7. The Contractor shall ensure all client services provided through this contract are documented and/or recorded within three (3) days of providing the service.

6. Liquidated Damages

- 6.1. The Contractor and the Department agree that the Web Information Technology System (WITS) shall be the source of record with data polls taking place on the tenth (10th) day of the month, beginning with March 10, 2016.
- 6.2. The Contractor and the Department agree that it will be extremely impracticable and difficult to determine actual damages that the Department will sustain in the event that the vendor fails to maintain the required performance standards in Section 4, Performance Standards, throughout the life of the contract. Any breach by the Contractor will delay and disrupt the Department's operations and obligations and lead to significant damages. Therefore, the parties agree that the liquidated damages as specified in the sections below are reasonable.
- 6.3. Assessment of liquidated damages shall be in addition to, not in lieu of, such other remedies as may be available to the Department. Except and to the extent expressly provided herein, the Department shall be entitled to recover liquidated damages cumulatively under each section applicable to any given incident.
- 6.4. The Department shall make all assessments of liquidated damages. Should the Department determine that liquidated damages may, or will be assessed; the



Exhibit A

Department shall notify the Contractor as specified in Section 7, Notifications and Remedies for Liquidated Damages, below.

- 6.5. The Contractor shall submit a written Corrective Action Plan to the Department within five (5) business days of receiving notification as specified in Section 7, Notifications and Remedies for Liquidated Damages., for review and approval prior to implementation of the corrective action plan.
- 6.6. The Contractor agrees that as determined by the Department, failure to provide services that meet the performance standards in Section 4, Performance Standards, shall result in in liquidated damages as specified in Section 7, Notifications and Remedies for Liquidated Damages. The Department's decision to assess liquidated damages must be reasonable, based in fact and made in good faith.
- 6.7. The remedies specified in Section 7, Notifications and Remedies for Liquidated Damages, shall apply until the failure is cured or resulting dispute is resolved in the Contractor's favor.
- 6.8. Liquidated damages in the amount of \$500 per month for failure to meet the Minimum Performance Measures identified in Section 4.
- 6.9. The amount of liquidated damages assessed by the Department to the Contractor shall need exceed the price limitation in Form P-37, General Provisions, block 1.8, Price Limitation.

7. Notifications and Remedies for Liquidated Damages.

- 7.1. Prior to the imposition of liquidated damages or any other remedies under this Contract, including termination for breach, the Department shall issue written notice of remedies that shall include, as applicable:
 - 7.1.1. A citation to the Contract provision violated.
 - 7.1.2. The remedies to be applied and the date the remedies shall be imposed.
 - 7.1.3. The basis for the Department's determination that the remedies shall be imposed.
 - 7.1.4. A request for a Corrective Action Plan.
 - 7.1.5. The timeframe and procedure for the Contractor to dispute the Department's determination. The Contractor's dispute of liquidated damages or remedies shall not stay the effective date of the proposed liquidated damages or remedies.
 - 7.1.6. If the failure is not resolved within the cure period, liquidated damages may be imposed retroactively to the date of failure to perform and continue until

**New Hampshire Department of Health and Human Services
Substance Use Disorder Regional Access Point Services**



Exhibit A

the failure is cured or any resulting dispute is resolved in the Contractor's favor.

- 7.2. In connection with any action taken or decision made by the Department with respect to this Contract, within ninety (90) days following the action or decisions, the Contractor may protest such action or decision by the delivery of a notice of protest to the Department and by which the Contractor may protest said action or decision and/or request an informal hearing with the Director of the Bureau of Drug and Alcohol Services.
- 7.2.1. The Contractor shall provide the Department with an explanation of its position protesting the Department's action or decision.
- 7.2.2. The Director shall determine a time that is mutually agreeable to the parties during which they may present their views on the disputed issues. It is understood that the presentation and discussion of the disputed issues will be informal in nature.
- 7.2.3. The Director shall provide written notice of the time, format and location of the presentation.
- 7.2.4. At the conclusion of the presentations, the Director shall consider all evidence and shall render a written recommendation as soon as practicable, but in no event more than thirty (30) calendar days after the conclusion of the presentation.
- 7.2.5. The Director may appoint a designee to hear and determine the matter.

| | |
|--|---|
| NH Department of Health and Human Services | Page 1 of 7 |
| SENTINEL EVENT POLICY | Effective Date: September 2010 Revised Date: February 2014 |
| Policy Number: | DHHS Policy: PR 10-01 |

I. Purpose

The Department of Health and Human Services' (DHHS) Sentinel Event Policy is part of a comprehensive quality assurance program and establishes the reporting and review requirements of sentinel events involving individuals served by the Department. Both community providers and components of DHHS which provide direct care services shall report sentinel events as directed by this policy.

II. Statutory Authority

In support of its commitment to quality in the delivery of health and human services to the citizens of New Hampshire, the Department will review sentinel events as part of its quality assurance activities. Statutory authority for reviews of sentinel events is set forth in NH RSA 126-A:4, IV:

RSA 126-A:4 Department Established.

IV. The department may establish a quality assurance program.

- (a) Any quality assurance program may consist of a comprehensive ongoing system of mechanisms for monitoring and evaluating the appropriateness of services provided to individuals served by the department or any of its contract service providers so that problems or trends in the delivery of services are identified and steps to correct problems can be taken.
- (b) Records of the department's quality assurance program including records of interviews, internal reviews or investigations, reports, statements, minutes, and other documentation except for individual client medical records, shall be confidential and privileged and shall be protected from direct or indirect discovery, subpoena, or admission into evidence in any judicial or administrative proceeding, except as provided in subparagraphs IV (c) or (d).
- (c) In case of legal action brought by the department against a contract service provider or in a proceeding alleging repetitive malicious action and personal injury brought against a contract service provider, the quality assurance program's records may be discoverable.
- (d) The department may refer any evidence of fraudulent or other criminal behavior gathered by the quality assurance program to the appropriate law enforcement authority.
- (e) No employees of the department or employees of a contract service provider or vendor shall be held liable in any action for damages or other relief arising from the providing of information to a quality assurance program or in any judicial or administrative procedure relating to the DHHS' quality assurance program.

III. Goals

The goals of this sentinel event reporting and review policy are:

1. To have a positive impact in improving care and service delivery; and
2. To understand the causes that underlie sentinel events, and make changes to internal and external systems and processes to reduce the probability of such events in the future.

| | |
|--|---|
| NH Department of Health and Human Services | Page 2 of 7 |
| SENTINEL EVENT POLICY | Effective Date: September 2010 Revised Date: February 2014 |
| Policy Number: | DHHS Policy: PR 10-01 |

IV. Definition

The Joint Commission defines sentinel event as “an unexpected occurrence involving death or serious physical or psychological injury, or the risk thereof. Serious injury specifically includes loss of limb or function. The phrase ‘or the risk thereof’ includes any process variation for which a recurrence would carry a significant change of a serious adverse outcome.”

Client-centered sentinel events, involving victims and/or perpetrators, include:

1. (a) An unanticipated death, not including homicide or suicide; or
- (b) permanent loss of function; or
- (c) risk thereof, not related to the natural course of an individual’s illness or underlying condition, resulting from such causes including, but not limited to:
 - o a medication error,
 - o an unauthorized departure or abduction from a facility providing care, or
 - o a delay or failure to provide services;
2. a. Homicide, i.e., the person is the victim of a homicide;
2. b. Suicide or suicide attempt, i.e., self-injurious behavior with a non-fatal outcome accompanied by evidence (either explicit or implicit) that the person intended to die;
3. Rape or any other sexual assault, i.e., the person is the victim of rape or sexual assault;
4. A serious physical or psychological injury, i.e., one that jeopardizes a person’s health, or risk thereof, that is associated with the planning and delivery of care.

Agency-involved sentinel events:

5. High profile events which may involve media coverage and/or police involvement when the police involvement is related to a crime or suspected crime and not primarily to provide assistance in a potentially unsafe situation

V. Applicability

A. Reportable sentinel events shall be those sentinel events that involve individuals who:

- Are receiving Department funded services¹, as described in B and C below;
- Have received Department funded services within the preceding 30 days;
- Have been evaluated by a service provider within the preceding 30 days; or
- Are the subject of a Child or Adult Protective Services report.

B. The following community providers shall be required to report sentinel events:

- Community Mental Health Centers (Bureau of Behavioral Health);
- Area Agencies (Bureau of Developmental Services); and

¹ For purposes of this policy, enrollment in a medical or cash public assistance program, such as Medicaid, Aid to the Needy Blind, Food Stamps, or Financial Assistance to Needy Families, shall not be considered a department funded service or program.

| | |
|---|---|
| NH Department of Health and Human Services | Page 3 of 7 |
| SENTINEL EVENT POLICY | Effective Date: September 2010 Revised Date: February 2014 |
| Policy Number: | DHHS Policy: PR 10-01 |

- Case Management Agencies (Bureau of Elderly and Adult Services)

C. The following DHHS divisions and bureaus which provide direct care services, shall be required to report sentinel events:

1. Division of Community Based Care
 - Bureau of Drug and Alcohol Services;
 - Bureau of Elderly and Adult Services: Adult Protection Program (APSWs); and
 - New Hampshire Hospital
2. Office of Human Services
 - Bureau of Homeless and Housing
3. Division for Children Youth and Families
 - Bureau of Child Protection (CPSWs)
 - Bureau of Juvenile Justice Services
 - a. Juvenile Probation and Parole Services (including all community programs) (JPPOs)
 - b. Sununu Youth Services Center

VI. Notification

A. Immediate Verbal Notification

Upon the discovery of a sentinel event by a community provider or by a DHHS division or bureau (whether by direct report by a provider, other mandatory reporting mechanisms, or a more general discovery) identified in the Applicability section above, that person or entity shall provide immediate verbal notification to the appropriate DHHS Division Director or designee.

Immediate verbal notification shall be provided by direct telephone contact. If direct telephone contact is not possible, a voice-mail or e-mail message shall be left.

The following information shall be provided:

- The reporting individual's name, phone number, and agency/organization;
- Name and date of birth (DOB) of the individual(s) involved in the event;
- Location, date, and time of the event; and
- Description of the event, including what, when, where, how, and other relevant information, as well as the identification of any other individuals involved.

| | |
|--|---|
| NH Department of Health and Human Services | Page 4 of 7 |
| SENTINEL EVENT POLICY | Effective Date: September 2010 Revised Date: February 2014 |
| Policy Number: | DHHS Policy: PR 10-01 |

Note: Protected health information shall not be left in a voice-mail or e-mail message.

Internal Process: Upon receiving notification of a sentinel event, the Division Director, or any other Department representative who receives the notification, shall report the event to the Department's Quality Improvement Director and the appropriate Department's Associate or Deputy Commissioners either by direct telephone contact, voice-mail or e-mail.

B. Completion of the *Sentinel Event Reporting Form* and E-Studio Notification

Written notification of the sentinel event shall be provided by the reporting person or designated agency staff to the appropriate DHHS Division and/or Bureau Directors within 72 hours of the event. Written notification shall be via a completed "Sentinel Event Reporting Form," and uploaded to the protected E-Studio application, available at <https://nh.same-page.com>.²

Each section of the *Sentinel Event Reporting Form* must be completed following the form's instructions, i.e., *Sentinel Event Reporting Form-Instructions*.

Additional information regarding the sentinel event shall be reported as it becomes available and upon Department request and also uploaded to the E-studio application. Such information may include additional details as they are learned, a change in the status of the situation, or links to relevant newspaper articles.

The process for providing additional information is to either:

- Download the original *Sentinel Event Reporting Form* to a computer and edit it by adding the additional information in the Part V. Follow-Up Information section. Rename the revised *Sentinel Event Reporting Form* as follows:
 - SE BBH Riverbend John S 01022012 rev. 01302012
- Or, upload a separate document, such as a newspaper article, which must have a file name to ensure it will be connected to the correct *Sentinel Event Reporting Form*:
 - SE BBH Riverbend John S 01102012 follow up

Internal Process: The Division / Bureau Director's designee shall review the E-Studio submissions for completeness, accuracy, and whether the reported event meets the criteria of a sentinel event as defined in this policy. Upon determining that a submitted *Sentinel Event Reporting Form* is a complete, accurate, and applicable sentinel event report, the Division / Bureau Director's designee shall notify the Division / Bureau Director, the Department's Quality Improvement Director and the appropriate Associate or Deputy Commissioner(s) of a complete report via E-Studio by selecting the appropriate names and "e-team" provided in the E-Studio application

² Users shall be trained on and approved for E-Studio use, per the "E-Studio Training Protocol."

Date: 1/20/14

Contractor Initials: 1/20/14

| | |
|--|---|
| NH Department of Health and Human Services | Page 5 of 7 |
| SENTINEL EVENT POLICY | Effective Date: September 2010 Revised Date: February 2014 |
| Policy Number: | DHHS Policy: PR 10-01 |

C. Confidentiality

Both community providers and Department components that report sentinel events shall comply with applicable confidentiality laws, HIPAA requirements, and their own policies and procedures regarding the reporting of confidential information and protected health information.

VII. Mandatory Reporting

Reporting sentinel events under the provisions of this policy shall not replace the mandatory reporting requirements of RSA 161-F:42-57 and RSA 169-C:29 with regard to abuse, neglect, self-neglect, or exploitation.

VIII. Sentinel Event Review

Each agency is expected to complete its own review of a reportable sentinel event consistent with the applicable DHHS administrative rules and its agency policies regarding incidents and events that are consistent with this policy's definition of a sentinel event and that involve individuals that are receiving, or who have recently received, Department funded services, i.e., within the previous 30 days, as described in this policy (section V).

A. Authority

The Commissioner, Deputy Commissioner, Associate Commissioner, or their designees, shall assign responsibility to the DHHS Quality Improvement Director to conduct reviews of selected sentinel events. The DHHS Quality Improvement Director shall select a qualified staff person to conduct sentinel event reviews when the Quality Improvement Director is unavailable.

Sentinel events to be reviewed include those:

1. Requested by the Office of the Commissioner, a Division or Bureau Director, or the DHHS Quality Improvement Director; or
2. That, given the available information, the DCBCS Quality Leadership Team identifies those sentinel events in which more than one agency/system was involved with the individual's care and, in which there is preliminary evidence of potentially one or more problematic systemic issues.

B. Notice

The DHHS Quality Improvement Director or designee shall inform the appropriate division's Bureau Administrator and the DCBCS Bureau's Quality Leadership Team Representative, when applicable, via e-mail that a Sentinel Event Review is being scheduled. For sentinel event

| | |
|--|---|
| NH Department of Health and Human Services | Page 6 of 7 |
| SENTINEL EVENT POLICY | Effective Date: September 2010 Revised Date: February 2014 |
| Policy Number: | DHHS Policy: PR 10-01 |

reviews involving one or more DCBCS bureaus, the DCBCS Quality Leadership Team is responsible for the following:

1. Invitation to the Sentinel Event Review, indicating the date, time, and location of the review;
2. The Department participants who are required to attend the review;
3. Information about the sentinel event, including who the event involves and the reason for the review;
4. The agencies or providers involved, e.g., community providers and/or Department divisions and bureaus, and who should be invited to attend; and
5. Instructions on how to prepare for the review, as follows:
 - Identify and invite other Department and provider-level participants;
 - Identify who among the invitees shall be the presenter(s);
 - Gather information, as applicable from sources such as site visits, interviews with presenters, as applicable, and clinical record reviews;
 - Provide relevant documentation, such as Division, facility, and service provider reports, notes, correspondence, policies, and Individual Service Plans and/or Support Plans. This shall be the responsibility of the individual or entity who actually has the documentation. Documentation shall be brought to the review for reference, but shall not be copied, distributed, or otherwise maintained by the review process.

C. Sentinel Event Review

1. The review shall include:
 - Case presentation(s);
 - Review of the event (including a review of relevant documentation); and
 - Identification of systemic factors, opportunities for improvement and recommendations for follow-up activity, as applicable.
2. The case presentation shall include: demographic information, description of the precipitating event, a clinical description of the individual involved, the immediate action taken by the agency when the incident occurred, any other administrative/operational issues relevant to the event, and a description of any identified opportunities for improvement. (See "Sentinel Event Review Presentation".)
2. The review of the event shall identify recommendations for follow-up activity to address identified systemic issues, if any.
3. No minutes of the review proceedings shall be taken, maintained or distributed.
4. Records of the identification of systemic factors, and opportunities for improvement and recommendations for follow-up activity(ies) will be kept without the identification of individuals or specific community agencies.

| | |
|---|---|
| NH Department of Health and Human Services | Page 7 of 7 |
| SENTINEL EVENT POLICY | Effective Date: September 2010 Revised Date: February 2014 |
| Policy Number: | DHHS Policy: PR 10-01 |

E. Confidentiality

Pursuant to RSA 126-A:4, IV, any and all records of or prepared solely for the Sentinel Event Review shall be confidential and privileged

Sentinel Event Policy - February 2014 revision - final

Page 7 of 7

Date: 1/20/16

Contractor Initials: JM



Exhibit B

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. This contract is funded with general and federal funds. Department access to supporting funding for this project is dependent upon the criteria set forth in the Catalog of Federal Domestic Assistance (CFDA) (<https://www.cfda.gov>) #93.959 US Department of Health and Human Services; Substance Abuse and Mental Health Services Administration; Block Grants for Prevention and Treatment of Substance Abuse; Substance Abuse Block Grant (SABG).
3. The Contractor shall use and apply all contract funds for authorized direct and indirect costs to provide services in Exhibit A, Scope of Services, in accordance with Exhibit B-1, Budget and Exhibit B-2, Budget.
4. Payment for services provided in accordance with Exhibit A, Scope of Services, shall be made as follows:
 - 4.1. Payments shall be made on cost reimbursement and fee-for-service basis only, for allowable costs, expenses and fees in accordance with Exhibits B-1, Budget through Exhibit B-2, Budget.
 - 4.2. Allowable costs and expenses shall include those expenses detailed in Exhibit B-1, Budget and Exhibit B-2, Budget
 - 4.3. The Contractor shall submit monthly invoices using invoice forms provided by the Department.
 - 4.4. The Contractor shall submit supporting documentation and required reports in Exhibit A, Scope of Services, Section 3, Data and Reporting Requirements, that support evidence of actual expenditures, in accordance with Exhibit B-1, Budget and Exhibit B-2, Budget for the previous month by the tenth (10th) working of the current month.
 - 4.5. The Contractor shall submit invoices for services outlined in Exhibit A, Scope of Services in accordance with budget line items in Exhibit B-1, Budget and Exhibit B-2, Budget preferably by e-mail on Department approved invoices to:

Linda Colby
Bureau of Drug and Alcohol Services
Department of Health and Human Services
105 Pleasant Street, 3rd Floor North
Concord, NH 03301

icolby@dhhs.state.nh.us

Jm

**New Hampshire Department of Health and Human Services
Substance Use Disorder Regional Access Point Services**



Exhibit B

- 4.6. Payments shall be made on fee-for-service basis for Continuous Recovery Monitoring services detailed in Exhibit A, Scope of Services, Section 2.9, in accordance with Exhibits B-1, Budget through Exhibit B-2, Budget.
- 4.7. The Contractor shall bill the Department for Continuous Recovery Monitoring services detailed in Exhibit A, Scope of Services, Section 2.9 on a fee-for-service basis as follows:
 - 4.7.1. Attempted or completed contacts shall be billed at a rate of \$15.00 per contact for up to four (4) contacts per month per client.
 - 4.7.2. The maximum billable amount per client shall not exceed \$60.00 per month.
 - 4.7.3. Unsuccessful contact with the client for thirty (30) consecutive days shall result in no further billing until such time client is successfully contacted, at which time billing limitation in Section 4.7.2 shall apply.
5. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice for Contractor services provided pursuant to this Agreement.
6. A final payment request shall be submitted no later than forty (40) days from the Form P37, General Provisions, Contract Completion Date, Block 1.7.
7. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this Contract may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the services provided, or if the said services have not been completed in accordance with the terms and conditions of this Agreement.
8. Notwithstanding paragraph 18 of the Form P-37, General Provisions, an amendment limited to transfer the funds within the budgets in Exhibit B-1 and Exhibit B-2 and within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.
9. When the contract price limitation is reached, the program shall continue to operate at full capacity at no charge to the State of New Hampshire for the duration of the contract period.

Southwestern Community Services, Inc.

Exhibit B

Page 2 of 2

Contractor Initials jm

Date 1/20/16

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Bidder/Program Name: Southwestern Community Services, Inc.

Budget Request for: Substance Use Disorder Regional Access Point Services

Budget Period: February 1, 2016 through June 30, 2016

| Line Item | Total Program Cost | | | Contractor Share / Match | | | Funded by DHHH Contract Allow | | |
|--|---------------------|--------------------|---------------------|--------------------------|----------------|-------------|-------------------------------|--------------------|---------------------|
| | Fiscal 2016 | Fiscal 2017 | Total | Fiscal 2016 | Fiscal 2017 | Total | Fiscal 2016 | Fiscal 2017 | Total |
| 1. Total Salary/Wages | \$ 21,834.00 | \$ 2,880.00 | \$ 24,714.00 | \$ - | \$ - | \$ - | \$ 21,834.00 | \$ 2,880.00 | \$ 24,714.00 |
| 2. Employee Benefits | \$ 14,210.00 | \$ 1,800.00 | \$ 16,010.00 | \$ - | \$ - | \$ - | \$ 14,210.00 | \$ 1,800.00 | \$ 16,010.00 |
| 3. Consultants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 4. Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rental | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Repair and Maintenance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Purchase/Depreciation | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 5. Supplies | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Educational | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Lab | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Pharmacy | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Medical | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Office | \$ 625.00 | \$ 81.00 | \$ 706.00 | \$ - | \$ - | \$ - | \$ 625.00 | \$ 81.00 | \$ 706.00 |
| 6. Travel | \$ 625.00 | \$ 81.00 | \$ 706.00 | \$ - | \$ - | \$ - | \$ 625.00 | \$ 81.00 | \$ 706.00 |
| 7. Occupancy | \$ 1,113.00 | \$ 144.00 | \$ 1,257.00 | \$ - | \$ - | \$ - | \$ 1,113.00 | \$ 144.00 | \$ 1,257.00 |
| 8. Current Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Telephone | \$ 1,000.00 | \$ 129.00 | \$ 1,129.00 | \$ - | \$ - | \$ - | \$ 1,000.00 | \$ 129.00 | \$ 1,129.00 |
| Postage | \$ 417.00 | \$ 54.00 | \$ 471.00 | \$ - | \$ - | \$ - | \$ 417.00 | \$ 54.00 | \$ 471.00 |
| Subscriptions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Audit and Legal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Insurance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Board Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 9. Software | \$ 1,867.00 | \$ 205.00 | \$ 1,872.00 | \$ - | \$ - | \$ - | \$ 1,867.00 | \$ 205.00 | \$ 1,872.00 |
| 10. Marketing/Communications | \$ 2,083.00 | \$ 265.00 | \$ 2,348.00 | \$ - | \$ - | \$ - | \$ 2,083.00 | \$ 265.00 | \$ 2,348.00 |
| 11. Staff Education and Training | \$ 2,083.00 | \$ 266.00 | \$ 2,352.00 | \$ - | \$ - | \$ - | \$ 2,083.00 | \$ 266.00 | \$ 2,352.00 |
| 12. Subcontracts/Agreements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 13. Other (specific details mandatory) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Photocopying | \$ 417.00 | \$ 53.00 | \$ 470.00 | \$ - | \$ - | \$ - | \$ 417.00 | \$ 53.00 | \$ 470.00 |
| Fee-for-Service @ \$15/Contact | \$ 10,100.00 | \$ - | \$ 10,100.00 | \$ - | \$ - | \$ - | \$ 10,100.00 | \$ - | \$ 10,100.00 |
| TOTAL | \$ 66,174.00 | \$ 6,961.00 | \$ 73,135.00 | \$ - | \$ - | \$ - | \$ 66,174.00 | \$ 6,961.00 | \$ 73,135.00 |

Indirect As A Percent of Direct

10.6%

Contractor Initials *JM*

Date: 1/20/16

Exhibit B-2 Budget

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Bidder/Program Name: Southwestern Community Services, Inc.

Budget Request for: Substance Use Disorder Regional Access Point Services

Budget Period: July 1, 2016 through June 30, 2017

| Line Item | Total Program Cost | | | Contractor Shows / Match | | | Funded By DHHHS contract share | | |
|--|-----------------------|------------------|---------------|--------------------------|------------------|-------|--------------------------------|------------------|---------------|
| | Bidder Incremental | Match Planned | Total | Bidder Incremental | Match Planned | Total | Bidder Incremental | Match Planned | Total |
| 1. Total Salary/Wages | \$ 52,400.00 | \$ 6,800.00 | \$ 59,200.00 | \$ - | \$ - | \$ - | \$ 52,400.00 | \$ 6,800.00 | \$ 59,200.00 |
| 2. Employee Benefits | \$ 34,247.00 | \$ 4,450.00 | \$ 38,697.00 | \$ - | \$ - | \$ - | \$ 34,247.00 | \$ 4,450.00 | \$ 38,697.00 |
| 3. Consultants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 4. Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rental | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Repair and Maintenance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Purchase/Depreciation | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 5. Supplies | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Educational | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Lab | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Pharmacy | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Medical | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Office | \$ 1,500.00 | \$ 193.00 | \$ 1,693.00 | \$ - | \$ - | \$ - | \$ 1,500.00 | \$ 193.00 | \$ 1,693.00 |
| 6. Travel | \$ 1,500.00 | \$ 193.00 | \$ 1,693.00 | \$ - | \$ - | \$ - | \$ 1,500.00 | \$ 193.00 | \$ 1,693.00 |
| 7. Occupancy | \$ 2,670.00 | \$ 344.00 | \$ 3,014.00 | \$ - | \$ - | \$ - | \$ 2,670.00 | \$ 344.00 | \$ 3,014.00 |
| 8. Current Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Telephone | \$ 2,400.00 | \$ 309.00 | \$ 2,709.00 | \$ - | \$ - | \$ - | \$ 2,400.00 | \$ 309.00 | \$ 2,709.00 |
| Postage | \$ 1,000.00 | \$ 129.00 | \$ 1,129.00 | \$ - | \$ - | \$ - | \$ 1,000.00 | \$ 129.00 | \$ 1,129.00 |
| Subscriptions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Audit and Legal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Insurance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Board Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 9. Software | \$ 4,000.00 | \$ 516.00 | \$ 4,516.00 | \$ - | \$ - | \$ - | \$ 4,000.00 | \$ 516.00 | \$ 4,516.00 |
| 10. Marketing/Communications | \$ 5,042.00 | \$ 650.00 | \$ 5,692.00 | \$ - | \$ - | \$ - | \$ 5,042.00 | \$ 650.00 | \$ 5,692.00 |
| 11. Staff Education and Training | \$ 5,000.00 | \$ 593.00 | \$ 5,593.00 | \$ - | \$ - | \$ - | \$ 5,000.00 | \$ 593.00 | \$ 5,593.00 |
| 12. Subcontracts/Agreements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 13. Other (specific details mandatory) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Photocopying | \$ 1,000.00 | \$ 129.00 | \$ 1,129.00 | \$ - | \$ - | \$ - | \$ 1,000.00 | \$ 129.00 | \$ 1,129.00 |
| Fee-For-Service @ \$15/Contact | \$ 24,300.00 | \$ - | \$ 24,300.00 | \$ - | \$ - | \$ - | \$ 24,300.00 | \$ - | \$ 24,300.00 |
| TOTAL | \$ 136,069.00 | \$ 14,306.00 | \$ 150,375.00 | \$ - | \$ - | \$ - | \$ 136,069.00 | \$ 14,306.00 | \$ 150,375.00 |

Indirect As A Percent of Direct

10.6%

Contractor Initials: *JM*
Date: 1/20/16



SPECIAL PROVISIONS

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

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
 - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
 - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;



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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
 - 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
 - 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
 - 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
 - 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
 - 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.



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

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis

Jm



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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

gm

1/20/16



REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
 4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;
 - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
 - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
 - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
 - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
 - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. The Division reserves the right to renew the Contract for up to two (2) additional years, subject to the continued availability of funds, satisfactory performance of services and Governor and Executive Council approval.



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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)

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

1/20/16
Date

Contractor Name: Southwestern Community Services, Inc.

John A. Manning

Name: John A. Manning

Title: Chief Executive Officer



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *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.

1/20/16
Date

Contractor Name: Southwestern Community Services, Inc.

John A. Manning
Name: John A. Manning
Title: Chief Executive Officer

Exhibit E – Certification Regarding Lobbying

Contractor Initials JM

Date 1/20/16



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

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and



information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

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 (l)(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.

1/20/16
Date

Contractor Name: Southwestern Community Services, Inc.
John A. Manning
Name: John A. Manning
Title: Chief Executive Officer

Contractor Initials JM
Date 1/20/16



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

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

Contractor 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

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

Contractor Initials

gm

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

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

1/20/16
Date

Contractor Name: Southwestern Community Services, Inc.
Name: John A. Manning
Title: Chief Executive Officer
Exhibit G

Contractor Initials JM

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

Date 1/20/16



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

1/20/16
Date

Contractor Name: Southwestern Community Services, Inc.

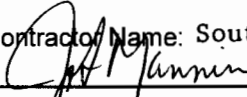

Name: John A. Manning
Title: Chief Executive Officer

Exhibit H - Certification Regarding
Environmental Tobacco Smoke
Page 1 of 1

Contractor Initials JM
Date 1/20/16



Exhibit I

HEALTH INSURANCE PORTABILITY 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.

3/2014

Contractor Initials JM

Date 1/20/16



Exhibit I

- i. “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 (l). 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

3/2014

Contractor Initials Jm
Date 1/20/14



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.

NH DHHS

The State
Kathleen A. Dunn
Signature of Authorized Representative

Kathleen A. Dunn
Name of Authorized Representative

Title of Authorized Representative

Associate Commissioner
Date 1/25/16

3/2014

Southwestern Community Services, Inc.

Name of the Contractor
John A. Manning
Signature of Authorized Representative

John A. Manning
Name of Authorized Representative
Chief Executive Officer

Title of Authorized Representative

January 20, 2016

Date

Contractor Initials gm

Date 1/20/16



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.

1/20/16
Date

Contractor Name: Southwestern Community Services, Inc.
John A. Manning
Name: John A. Manning
Title: Chief Executive Officer

Contractor Initials *JM*
Date 1/20/16



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: 081251381

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?

X NO _____ YES

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

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

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

_____ NO _____ YES

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

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

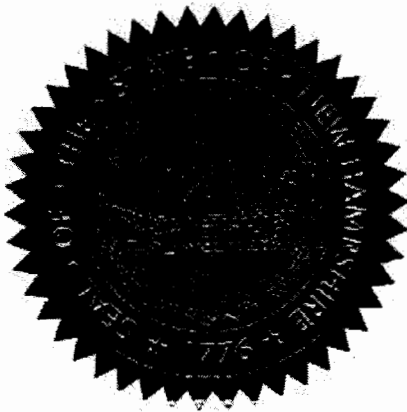
4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

| | |
|-------------|---------------|
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |

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 SOUTHWESTERN COMMUNITY SERVICES, INC. is a New Hampshire nonprofit corporation formed May 19, 1965. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 3rd day of April, A.D. 2015

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

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

1. I am a duly elected Officer of Southwestern Community Services, 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 4/27/12:
(Date)

RESOLVED: That the John A. Manning
(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 20th day of January, 20 16.
(Date Contract Signed)

4. John A. Manning is the duly elected Chief Executive Officer
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Elaine M. Amer
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Cheshire

The forgoing instrument was acknowledged before me this 20th day of January, 20 16.

By Elaine M. Amer
(Name of Elected Officer of the Agency)



Leisa Perrotta
Leisa Perrotta, Notary

Commission Expires: 2/6/2018



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/24/2015

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

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

| | |
|--|---|
| PRODUCER Clark - Mortenson Insurance P.O. Box 606 Keene NH 03431 | CONTACT NAME: PHONE (A/C, No, Ext): 603-352-2121 FAX (A/C, No): 603-357-8491 E-MAIL ADDRESS: csr24@clark-mortenson.com |
| INSURER(S) AFFORDING COVERAGE | |
| INSURER A: Philadelphia Insurance Company | NAIC # 0 |
| INSURER B: Maine Employer Mutual Insurance Co. | |
| INSURER C: | |
| INSURER D: | |
| INSURER E: | |
| INSURER F: | |

INSURED **SOUTHWESTERNCOM**
 Southwestern Comm Services Inc
 PO Box 603
 Keene NH 03431


COVERAGES **CERTIFICATE NUMBER: 387253376** **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 THE 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 type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: | | | PHPK1353009 | 6/30/2015 | 6/30/2016 | EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$ |
| A | AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS | | | PHPK1353009 | 6/30/2015 | 6/30/2016 | COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| A | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000 | | | PHUB503676 | 6/30/2015 | 6/30/2016 | EACH OCCURRENCE \$2,000,000 AGGREGATE \$2,000,000 \$ |
| B | 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 | N/A | 3102800768 | 4/1/2015 | 4/1/2016 | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER 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)

Workers Compensation Statutory coverage provided for State of NH
 All Executive Officers are included in the Workers Compensation coverage

| | |
|---|--|
| CERTIFICATE HOLDER Department of Health & Human Services Office of Human Services 129 Pleasant Street Concord NH 03301 | CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE  |
|---|--|

SCS Mission Statement

SCS strives to **empower** low income people and families. With **dignity and respect**, SCS will provide direct assistance, reduce stressors and advocate for such persons and families as they lift themselves toward **self-sufficiency**.

In **partnership** and close **collaboration** with local communities, SCS will provide **leadership** and **support** to develop resources, programs and services to further aid this population

Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC.
AND RELATED COMPANIES

FOR THE YEAR ENDED
MAY 31, 2014
AND
INDEPENDENT AUDITORS' REPORTS

*Leone,
McDonnell
& Roberts*
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2014**

TABLE OF CONTENTS

| | <u>Page(s)</u> |
|---|-----------------------|
| Independent Auditors' Report | 1 - 2 |
| Financial Statements: | |
| Consolidated Statement of Financial Position | 3 |
| Consolidated Statement of Activities | 4 |
| Consolidated Statement of Cash Flows | 5 |
| Consolidated Statement of Functional Expenses | 6 |
| Consolidated Notes to Financial Statements | 7 - 16 |
| Supplementary Information: | |
| Consolidated Schedule of Functional Revenues and Expenses | 17 |
| Schedule of Revenues and Expenditures - Electric Assistance Program | 18 |
| Schedule of Expenditures of Federal Awards | 19 |
| Notes to Schedule of Expenditures of Federal Awards | 20 |
| Independent Auditors' Reports on Internal Control and Compliance | 21 - 24 |
| Schedule of Findings and Questioned Costs | 25 |
| Summary Schedule of Prior Audit Findings | 26 |

To the Board of Directors of
Southwestern Community Services, Inc.
Keene, New Hampshire

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Southwestern Community Services, Inc. and related companies (a New Hampshire nonprofit corporation), which comprise the consolidated statement of financial position as of May 31, 2014, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Southwestern Community Services, Inc. as of May 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2015, on our consideration of Southwestern Community Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southwestern Community Services, Inc.'s internal control over financial reporting and compliance.

*Leony McDonnell's Roberts,
Professional Association*

January 26, 2015
Wolfeboro, New Hampshire

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MAY 31, 2014**

ASSETS

CURRENT ASSETS

| | |
|-------------------------------------|------------------|
| Cash and cash equivalents | \$ 96,654 |
| Accounts receivable | 976,196 |
| Inventory | 312,064 |
| Prepaid expenses | 8,836 |
| Advances to unrelated third parties | 100,700 |
| Notes receivable | 112,000 |
| Interest receivable | <u>27,627</u> |
| Total current assets | <u>1,634,077</u> |

PROPERTY

| | |
|-------------------------------|------------------|
| Land and buildings | 12,526,948 |
| Vehicles and equipment | 761,283 |
| Furniture and fixtures | <u>29,791</u> |
| Total property | 13,318,022 |
| Less accumulated depreciation | <u>4,495,141</u> |
| Property, net | <u>8,822,881</u> |

OTHER ASSETS

| | |
|-------------------------------|----------------------|
| Due from related parties | 877,025 |
| Cash escrow and reserve funds | 182,837 |
| Security deposits | 11,628 |
| Other assets | <u>591</u> |
| Total other assets | <u>1,072,081</u> |
| Total assets | <u>\$ 11,529,039</u> |

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|-----------------------------------|----------------|
| Accounts payable | \$ 550,886 |
| Accrued expenses | 97,294 |
| Accrued payroll and payroll taxes | 113,546 |
| Accrued compensated balances | 125,564 |
| Other current liabilities | 4,569 |
| Refundable advances | 132,114 |
| Demand notes payable | 338,953 |
| Current portion of long term debt | <u>245,959</u> |
| Total current liabilities | 1,608,885 |

NONCURRENT LIABILITIES

| | |
|--|------------------|
| Long term debt, less current portion shown above | <u>6,324,881</u> |
| Total liabilities | <u>7,933,766</u> |

NET ASSETS

| | |
|------------------------|------------------|
| Unrestricted | 3,561,476 |
| Temporarily restricted | <u>33,797</u> |
| Total net assets | <u>3,595,273</u> |

| | |
|----------------------------------|----------------------|
| Total liabilities and net assets | <u>\$ 11,529,039</u> |
|----------------------------------|----------------------|

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2014**

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|---|---------------------|-----------------------------------|---------------------|
| REVENUES AND OTHER SUPPORT | | | |
| Government contracts | \$ 8,893,510 | | \$ 8,893,510 |
| Program service fees | 2,103,765 | | 2,103,765 |
| Rental income | 361,492 | | 361,492 |
| Developer income | 694,246 | | 694,246 |
| Support | 283,259 | \$ 33,797 | 317,056 |
| Fundraising | 146,366 | | 146,366 |
| Interest income | 4,722 | | 4,722 |
| Forgiveness of debt | 772,915 | | 772,915 |
| Miscellaneous | 56,565 | | 56,565 |
| In-kind contributions | 110,864 | | 110,864 |
| | <hr/> | <hr/> | <hr/> |
| Total revenues and other support | 13,427,704 | 33,797 | 13,461,501 |
| NET ASSETS RELEASED FROM RESTRICTIONS | <u>91,715</u> | <u>(91,715)</u> | <u></u> |
| Total revenues, other support, and net assets released from restrictions | <u>13,519,419</u> | <u>(57,918)</u> | <u>13,461,501</u> |
| EXPENSES | | | |
| Program services | | | |
| Home energy programs | 4,171,970 | | 4,171,970 |
| Education and nutrition | 2,037,363 | | 2,037,363 |
| Homeless programs | 1,888,171 | | 1,888,171 |
| Housing services | 1,824,635 | | 1,824,635 |
| Economic development services | 503,259 | | 503,259 |
| Other programs | 783,808 | | 783,808 |
| | <hr/> | <hr/> | <hr/> |
| Total program services | 11,209,206 | | 11,209,206 |
| Supporting activities | | | |
| Management and general | <u>1,680,806</u> | <u></u> | <u>1,680,806</u> |
| Total expenses | <u>12,890,012</u> | <u></u> | <u>12,890,012</u> |
| CHANGES IN NET ASSETS | <u>629,407</u> | <u>(57,918)</u> | <u>571,489</u> |
| NET ASSETS, BEGINNING OF YEAR AS ORIGINALLY STATED | 2,956,093 | | 2,956,093 |
| PRIOR PERIOD ADJUSTMENT | <u>(24,024)</u> | <u>91,715</u> | <u>67,691</u> |
| NET ASSETS, BEGINNING OF YEAR AS RESTATED | <u>2,932,069</u> | <u>91,715</u> | <u>3,023,784</u> |
| NET ASSETS, END OF YEAR | <u>\$ 3,561,476</u> | <u>\$ 33,797</u> | <u>\$ 3,595,273</u> |

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2014**

| | |
|---|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Change in net assets | \$ 571,489 |
| Adjustments to reconcile changes in net assets to net cash from operating activities: | |
| Depreciation and amortization | 470,112 |
| Forgiveness of debt | (772,915) |
| (Increase) decrease in assets: | |
| Accounts receivable | (111,461) |
| Inventory | (210,123) |
| Prepaid expenses | 9,011 |
| Notes receivable | (112,000) |
| Interest receivable | (4,480) |
| Due from related parties | 413,874 |
| Security deposits | 3,678 |
| Increase (decrease) in liabilities: | |
| Accounts payable | (198,896) |
| Accrued expenses | 68,788 |
| Accrued payroll and payroll taxes | (19,991) |
| Accrued compensated absences | 6,214 |
| Other current liabilities | (19,874) |
| Refundable advances | (51,981) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>41,445</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Decrease in escrow funds | (32,702) |
| Purchase of property | (83,801) |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(116,503)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Net proceeds from demand notes payable | 39,000 |
| Proceeds from long term debt | 80,782 |
| Repayment of long term debt | (171,638) |
| NET CASH USED IN FINANCING ACTIVITIES | <u>(51,856)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (126,914) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>223,568</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 96,654</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | |
| Cash paid during the year for: | |
| Interest | <u>\$ 140,095</u> |

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2014**

| | Home Energy Programs | Education and Nutrition | Homeless Programs | Housing Services | Economic Development Services | Other Programs | Total Program | Management and General | Total |
|---|----------------------|-------------------------|---------------------|---------------------|-------------------------------|-------------------|----------------------|------------------------|----------------------|
| Payroll | \$ 366,230 | \$ 995,868 | \$ 456,739 | \$ 742,481 | \$ 261,181 | \$ 398,478 | \$ 3,220,977 | \$ 704,943 | \$ 3,925,920 |
| Payroll taxes | 36,938 | 113,538 | 48,112 | 71,929 | 26,440 | 44,552 | 341,509 | 65,385 | 406,894 |
| Employee benefits | 105,720 | 272,411 | 163,228 | 116,815 | 49,802 | 132,998 | 840,974 | 152,774 | 993,748 |
| Retirement | 25,437 | 54,464 | 27,418 | 54,689 | 13,879 | 14,206 | 190,093 | 67,519 | 257,612 |
| Advertising | 750 | 15,508 | 430 | 3,322 | - | 129 | 20,139 | 1,190 | 21,329 |
| Bank charges | 455 | - | 19 | 2,457 | - | 4 | 2,935 | 5,041 | 7,976 |
| Bad debt expense | - | - | 2,023 | - | - | - | 2,023 | - | 2,023 |
| Commercial subsidy | - | - | - | - | - | 10,671 | 10,671 | - | 10,671 |
| Computer cost | 43 | 2,949 | 2,699 | 3,800 | 1,879 | - | 11,370 | 78,211 | 89,581 |
| Contractual | 325,048 | 55,175 | 89,472 | 93,879 | 97,225 | 120,497 | 781,296 | 6,151 | 787,447 |
| Depreciation | 7,902 | 11,128 | 249,555 | 145,479 | - | 5,604 | 419,668 | 50,444 | 470,112 |
| Dues/registration | - | 6,484 | 350 | 1,545 | - | 625 | 9,004 | 1,393 | 10,397 |
| Duplicating | 640 | 8,831 | 1,711 | 194 | - | - | 11,376 | 2,952 | 14,328 |
| Insurance | 6,633 | 13,375 | 23,207 | 44,849 | 581 | 4,537 | 93,182 | 49,750 | 142,932 |
| Interest | - | 10,971 | 12,662 | 24,242 | - | 1,142 | 49,017 | 140,095 | 189,112 |
| Meeting and conference | 2,110 | 630 | 10,356 | 8,936 | - | 17,909 | 39,941 | 12,303 | 52,244 |
| Miscellaneous expense | 41,461 | 2,333 | 2,725 | 62,321 | 80 | 5,899 | 114,819 | 41,884 | 156,703 |
| Miscellaneous taxes | - | - | - | 38,732 | - | - | 38,732 | 200 | 38,932 |
| Equipment purchases | 11,464 | 2,592 | 5,634 | 4,292 | 95 | - | 12,613 | 204 | 12,817 |
| Office expense | 29 | 19,310 | 12,954 | 2,655 | 5,018 | 98 | 51,499 | 13,325 | 64,824 |
| Postage | 1,000 | 381 | 139 | 462 | 429 | 35 | 1,475 | 20,623 | 22,098 |
| Professional fees | 3,364 | 5,585 | 1,500 | 30,420 | - | - | 32,920 | 82,021 | 114,941 |
| Staff development and training | - | - | 6,164 | 2,538 | - | 4,239 | 21,910 | 14,288 | 36,198 |
| Subscriptions | 3,396 | - | - | 397 | 135 | 750 | 1,282 | 1,699 | 2,981 |
| Telephone | 133 | 14,908 | 34,075 | 9,078 | 6,939 | 616 | 69,012 | 18,217 | 87,229 |
| Fax | 3,348 | - | - | - | - | - | 133 | - | 133 |
| Travel | 7,055 | 11,813 | 12,317 | 4,478 | 6,147 | 145 | 38,248 | 2,464 | 40,712 |
| Rent | - | 9,716 | 6,107 | 50,352 | - | 10,389 | 83,619 | 41,312 | 124,931 |
| Space costs | - | 11,550 | 166 | 7,200 | - | - | 18,916 | - | 18,916 |
| Direct client assistance | 3,222,794 | 110,000 | 277,330 | 192,082 | - | 1,598 | 581,010 | 106,418 | 687,428 |
| In-kind expenses | - | 176,979 | 441,079 | 105,011 | 33,429 | 8,687 | 3,987,979 | - | 3,987,979 |
| | - | 110,864 | - | - | - | - | 110,864 | - | 110,864 |
| TOTAL FUNCTIONAL EXPENSES BEFORE GENERAL AND MANAGEMENT ALLOCATION | 4,171,970 | 2,037,363 | 1,888,171 | 1,824,635 | 503,259 | 783,808 | 11,209,206 | 1,680,806 | 12,890,012 |
| Allocation of management and general expenses | 625,581 | 305,500 | 283,129 | 273,602 | 75,463 | 117,531 | 1,680,806 | (1,680,806) | - |
| TOTAL FUNCTIONAL EXPENSES | \$ 4,797,551 | \$ 2,342,863 | \$ 2,171,300 | \$ 2,098,237 | \$ 578,722 | \$ 901,339 | \$ 12,890,012 | \$ - | \$ 12,890,012 |

**TOTAL FUNCTIONAL EXPENSES BEFORE
GENERAL AND MANAGEMENT ALLOCATION**

Allocation of management and general expenses

TOTAL FUNCTIONAL EXPENSES

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2014

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Southwestern Community Services, Inc. (the Organization) is a New Hampshire nonprofit corporation formed as an umbrella corporation that offers an array of services to the elderly, disabled, and low-income households in the Cheshire and Sullivan counties of New Hampshire. Various programs provide assistance in the areas of education, child development, employment, energy and its conservation, housing, and homelessness prevention. Services are provided through Southwestern Community Services, Inc., and its related corporations, SCS Management Corp., SCS Housing, Inc., Drewsville Carriage House Associates, LP, North Walpole Village Housing Associates, LP, and Troy Common Associates, LP. The Organization is committed to providing respectful support service and assisting individuals and families in achieving self-sufficiency by helping them overcome the causes of poverty. The primary source of revenues is derived from governmental contracts.

Basis of Accounting

The financial statements of Southwestern Community Services, Inc. have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principles. The financial statements include the accounts of Southwestern Community Services, Inc., SCS Management Corp., and SCS Housing, Inc. The three corporations are combined because Southwestern Community Services, Inc. controls more than 50% of the voting power. All significant intercompany items and transactions have been eliminated from the basic financial statements.

Drewsville Carriage House Associates, LP, North Walpole Village Housing Associates, LP and Troy Common Associates, LP have been consolidated with the Organization because the Organization owns 100% of the voting power. All significant intercompany items and transactions have been eliminated from the basic financial statements.

Basis of Presentation

Financial statement presentation follows the recommendations of the Accounting Standard Codification No. 958-210, Financial Statements of Not-for-Profit Organizations. Under FASB ASC 958-210, the Organization is required to report 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 that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted: Net assets whose use is limited by donor imposed stipulations that will either expire with the passage of time or be fulfilled or removed by actions of the Organization.

Permanently Restricted: Net assets reflecting the historical cost of gifts (and in certain circumstances, the earnings from those gifts), subject to donor - imposed stipulations, which require the corpus to be invested in perpetuity to produce income for general or specific purposes.

As of May 31, 2014, the Organization had unrestricted and temporarily restricted net assets.

Refundable Advances

The Organization records grant and contract revenue as refundable advances until it is expended for the purpose of the grant or contract, at which time it is recognized as revenue.

In-Kind Support

The Organization records various types of in-kind support including professional services and materials. Contributed professional services are recognized if the service received creates or enhances long-lived assets or requires specialized skill, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received.

Estimates

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

Cash and Cash Equivalents

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

Accounts Receivable

The Organization has adopted the allowance method for accounting for uncollectible receivables. The Organization estimated the allowance for uncollectible receivables at zero for the year ended May 31, 2014.

Notes Receivable

The Organization has two notes receivable from an unrelated third party. The notes receivable are stated at the amount that is expected to be collected at year end. Interest is accrued at a rate of 4% annually. The balance of the notes receivable and related interest receivable is \$112,000 and \$27,627, respectively at May 31, 2014.

Inventory

Inventory is recorded at cost or at fair value if contributed. Inventory consists of property developments, which when complete, will be held for sale.

Current Vulnerability Due to Certain Concentrations

The Organization is operated in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or Legislature. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change. For the year ended May 31, 2014, approximately 65% of the Organization's total revenue was received from government agencies. The future nature of the organization is dependent upon continued support from the government.

Concentration of Credit Risk

The Organization maintains its cash accounts in several financial institutions, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to these accounts. At May 31, 2014, no balance exceeded the federally insured limits.

Property and Depreciation

Purchased property and equipment are stated at cost at the date of acquisition or at fair value at the date of receipt in the case of donated property.

The Organization generally capitalizes and depreciates all assets with a cost greater than \$5,000 and an expected life greater than one year. 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 and improvements | 10 - 40 Years |
| Equipment and furnishing | 5 - 10 Years |
| Vehicles | 5 Years |
| Computer equipment and software | 3 - 7 Years |

The use of certain assets is specified under the terms of grants received from agencies of the federal government. These grants also place liens on certain assets and impose restrictions on the use of funds received from the disposition of the property.

Advertising

The Organization expenses advertising costs as incurred.

Revenue Recognition

Amounts received from conditional grants and contracts received for specific purposes are generally recognized as income to the extent that related expenses and conditions are incurred or met. Conditional grants received prior to the conditions being met are reported as refundable advances. Contributions of cash and other assets are reported as restricted if they are received with donor imposed stipulations that limit the use of the donated assets. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted.

Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. As such, the Organization is exempt from income tax on its exempt function income.

SCS Housing, Inc. is a C Corporation and is subject to income tax. Management does not believe this entity will have taxable income as there is net operating loss carryforward of \$673,130 and therefore, there is no tax provision.

Drewsville Carriage House Associates, LP, North Walpole Village Housing Associates, LP, and Troy Common Associates, LP are partnerships and do not pay taxes on their income. Rather, the partners will pay the taxes on the partnership net income.

Accounting Standard Codification No. 740, "Accounting for Income Taxes," established the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. The Organization has analyzed the Organization's tax position taken on its income tax returns for all open years (tax years ending May 31, 2011 – 2014), and has concluded that no additional provision for income taxes is necessary in the Organization's financial statements.

Fair Value of Financial Instruments

FASB ASC Topic No. 820-10, Financial Instruments, provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in generally accepted accounting principles for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with 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, Topic 820-10 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 820-10 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 carrying amount of cash, accounts receivables, prepaid expenses, inventory, accounts payable, accrued expenses, and refundable advances approximates fair value because of the short maturity of those instruments.

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.

Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date, but arose after that date. Management has evaluated subsequent events through January 26, 2015, the date the financial statements were available to be issued.

NOTE 2 DEMAND NOTES PAYABLE

The Organization has a \$250,000 revolving line of credit agreement (the line) with a bank that is due on demand. The line calls for monthly interest payments based on an interest rate of 4% per annum. The line is secured by all the Organization's assets. The outstanding balance at May 31, 2014 totaled \$249,953.

The Organization has a \$500,000 master line of credit agreement (the line) with a bank that is due on demand. The line calls for monthly interest payments based on the Wall Street Journal Prime Rate (3.25% at May 31, 2014) plus 1% per annum. The line is secured by all the Organization's assets. The outstanding balance at May 31, 2014 totaled \$89,000.

NOTE 3 **LONG TERM DEBT**

The long term debt at May 31, 2014 consisted of the following:

| | |
|---|------------|
| 1% mortgage payable to New Hampshire Housing Finance Authority in monthly installments for principal and interest of \$891 through August 2032. The note is secured by real estate of the Organization. | \$ 190,668 |
| Non-interest bearing mortgage payable to Community Development Finance Authority, in quarterly principal payments based on operating income formula applied to affordable housing portion of the specified real estate. The note is secured by real estate of the Organization. | 32,147 |
| 3.5% note payable to a bank in monthly installments for principal and interest of \$959 through March 2021. The note is secured by real estate of the Organization. | 70,549 |
| Non-interest bearing mortgage payable to New Hampshire Housing Finance Authority. Payment is deferred for 30 years, through September 2031, or until project is sold or refinanced. The note is secured by real estate of the Organization. | 250,000 |
| Non-interest bearing mortgage payable to New Hampshire Housing Finance Authority. Payment is deferred for 30 years, through July 2032, or until project is sold or refinanced. The note is secured by real estate of the Organization. | 408,300 |
| 4.25% mortgage payable to a bank in monthly installments for principal and interest of \$1,875 through January 2017. The note is secured by real estate of the Organization. | 219,903 |
| 4.375% note payable to Rural Housing Service in monthly installments for principal and interest of \$11,050 through May 2049. The note is secured by real estate of the Organization. | 2,372,857 |
| Non-interest bearing note payable to a county in New Hampshire. Payment is not necessary unless Organization defaults on contract and the note is secured by real estate of the Organization. | 460,000 |
| 4% note payable to a development company, in annual interest installments only through March 2015 at which time a final balloon payment of the entire principal balance is due. The note is secured by real estate of the Organization. | 63,000 |

| | |
|---|---------|
| 4% note payable to a development company, in annual interest installments only through March 2015 at which time a final balloon payment of the entire principal balance is due. The note is secured by real estate of the Organization. | 45,000 |
| Note payable to a bank in monthly installments for principal and interest of \$2,769 including interest through May 2039. Interest is adjusted every five years based on remaining principal balance and "Classic Advantage Rate" provided by Federal Home Loan Bank of Boston which resulted in an interest rate of 4.07% at May 31, 2014. The note is secured by real estate of the Organization. | 461,087 |
| 6.99% note payable to a bank in monthly installments for principal and interest of \$560 through October 2014. The note is secured by a vehicle of the Organization. | 3,303 |
| 5.95% note payable to a bank in monthly installments for principal and interest of \$934 through May 2021. The note is secured by real estate of the Organization. | 119,335 |
| 6% note payable to a bank in monthly installments for principal and interest of \$1,351 April 2016 at which time a balloon payment of \$123,000 is due. The note is secured by real estate of the Organization. | 137,167 |
| 7% note payable to a bank in monthly installments for principal and interest of \$807 through December 2025. The note is secured by real estate of the Organization. | 80,821 |
| Non-interest bearing note payable to the United States Department of Housing and Urban Development. No payment is due and beginning in January 2015 10% of the note will be forgiven each year providing the property is used for low income housing through January 2025. The note is secured by real estate of the Organization. | 250,000 |
| Non-interest bearing note payable to the United States Department of Housing and Urban Development. No payment is due and beginning in January 2015 10% of the note will be forgiven each year providing the property is used for low income housing through January 2025. The note is secured by real estate of the Organization. | 150,000 |

| | |
|---|---------------------|
| Non-interest bearing note payable to New Hampshire Finance Authority in annual payments in the amount of 50% of annual surplus cash through July 2023 at which time the remaining balance is due. The note is secured by real estate of the Organization. | 794,189 |
| Non-interest bearing note payable to a county in New Hampshire. No payment is due and 5% of the balance is forgiven each year through 2032 when the remaining balance becomes due. The note is secured by real estate of the Organization. | 446,500 |
| 3.99% note payable to a bank in monthly installments for principal and interest of \$385 through April 2015. The note is secured by a vehicle of the Organization. | <u>16,014</u> |
| | 6,570,840 |
| Less current portion due within one year | <u>245,959</u> |
| Total | <u>\$ 6,324,881</u> |

The schedule of maturities of long term debt at May 31, 2014 is as follows:

| Year Ending <u>May 31</u> | <u>Amount</u> |
|------------------------------|---------------------|
| 2015 | \$ 245,959 |
| 2016 | 261,173 |
| 2017 | 321,305 |
| 2018 | 130,188 |
| 2019 | 131,238 |
| Thereafter | <u>5,480,977</u> |
| Total | <u>\$ 6,570,840</u> |

NOTE 4 OPERATING LEASES

The Organization leases vehicles, under non-cancelable lease agreements at various financial institutions. Lease periods range from month to month to 2016. Monthly lease payments range from \$341 to \$580. Lease expense for the year ended May 31, 2014 totaled \$25,051.

Future minimum lease payments as of May 31, 2014 are as follows:

| Year Ending <u>May 31</u> | <u>Amount</u> |
|------------------------------|-------------------|
| 2015 | \$ 77,650 |
| 2016 | <u>43,109</u> |
| Total | <u>\$ 120,759</u> |

NOTE 5 **ACCRUED COMPENSATED BALANCES**

At May 31, 2014, the Organization accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$125,564.

NOTE 6 **CONTINGENCIES**

SCS Housing, Inc. is the general partner of ten limited partnerships (which include Drewsville Carriage House Associates, LP, North Walpole Village Housing, LP, and Troy Common Associates, LP, consolidated within the financial statements) formed to develop low-income housing projects through the use of Low Income Housing Tax Credits. Southwestern Community Services, Inc. and SCS Housing, Inc. have guaranteed repayment of liabilities of various partnerships totaling \$1,120,000 at May 31, 2014. Partnership real estate with a cost basis of approximately \$25,700,000 provides collateral on these loans.

The Organization receives funds under various state grants and from Federal sources. Under the terms of these agreements, the Organization is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If costs were found not to have been incurred in compliance with the laws and regulations, the Organization might be required to repay the funds.

No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed by government audits as of May 31, 2014.

NOTE 7 **RELATED PARTY TRANSACTIONS**

During the year ended May 31, 2014, SCS Housing, Inc. managed seven limited partnerships. Management fees charged by SCS Housing, Inc. totaled \$383,457. In addition, SCS Housing, Inc. has advanced the limited partnerships funds for cash flow purposes over several years. The total amount due and expected to be collected from the limited partnerships was \$877,025 at May 31, 2014.

NOTE 8 **ADVANCES TO UNRELATED THIRD PARTIES**

The Organization has advanced funds to three unrelated entities for property development purposes. The total amount due and expected to be collected from these entities was \$100,700 at May 31, 2014.

NOTE 9 **RETIREMENT PLAN**

The Organization maintains a tax sheltered annuity plan under the provisions of Section 403(b) of the internal Revenue Code. All employees who have had at least 30 days of service to the Organization are eligible to contribute to the plan. The Organization begins matching contributions after the employee has reached one year of service. Employer contributions are at the Organization's discretion and totaled \$261,757 for the year ended May 31, 2014.

NOTE 10 **RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets consist of contributions received by the Organization that have not been used for the specified purpose of the donor. Temporarily restricted net assets at May 31, 2014 totaled \$33,797.

NOTE 11 **FORGIVENESS OF DEBT**

During the year ended May 31, 2014 the Organization realized forgiveness of debt income in connection with notes payable with the Town of Troy and the Town of Walpole, and the County of Cheshire. Forgiveness of debt income totaled \$772,915 for the year ended May 31, 2014.

NOTE 12 **PRIOR PERIOD ADJUSTMENT**

The beginning net assets for the year ended May 31, 2014 has been restated to correct three errors.

In previously issued financial statements, the Organization recorded donations restricted for a specific purpose as deferred revenue, rather than temporarily restricted revenue due to the purpose restriction, as required by accounting standards. As the purpose restrictions are met, an amount is reclassified from temporarily restricted net assets to unrestricted net assets. In addition, the Organization did not record accrued interest related to interest earned on a note receivable as is required by the terms of the note agreement. There was also an overstatement of inventory as a result of an oversight. Correcting these errors created an interest receivable asset of \$23,147, increased temporarily restricted nets assets by \$91,715, decreased inventory by \$47,171, and decreased unrestricted net assets by \$24,024, at May 31, 2013. The total effect of the prior period adjustment on the total change in net assets is as follows:

| | |
|--|------------------|
| Donations improperly recorded as deferred revenue | \$ 91,715 |
| Understatement of interest receivable | 23,147 |
| Overstatement of inventory | <u>(47,171)</u> |
| Total prior period adjustment | <u>\$ 67,691</u> |

SUPPLEMENTAL INFORMATION

(SEE INDEPENDENT AUDITORS' REPORT)

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES
CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES
FOR THE YEAR ENDED MAY 31, 2014

| | Home Energy Programs | Education and Nutrition | Homeless Programs | Housing Services | Economic Development Services | Other Programs | Total Program | Management and General | Total |
|---|----------------------|-------------------------|---------------------|---------------------|-------------------------------|-------------------|----------------------|------------------------|----------------------|
| REVENUES | | | | | | | | | |
| Government contracts | \$ 3,895,814 | \$ 2,360,191 | \$ 1,334,947 | \$ 212,643 | \$ 558,616 | \$ 94,805 | \$ 8,457,016 | \$ 436,494 | \$ 8,893,510 |
| Program service fees | 253,130 | 16,834 | 76,767 | 1,102,285 | - | 654,749 | 2,103,765 | - | 2,103,765 |
| Rental income | - | - | 98,632 | 262,860 | - | - | 361,492 | - | 361,492 |
| Developer income | - | - | - | 694,246 | - | - | 694,246 | - | 694,246 |
| Support | 63,529 | 4,250 | 114,324 | - | - | 132,703 | 314,806 | 2,250 | 317,056 |
| Fundraising | - | - | - | - | - | 146,366 | 146,366 | - | 146,366 |
| Interest income | 34 | - | 10 | 124 | - | 7 | 175 | 4,547 | 4,722 |
| Forgiveness of debt | - | - | - | 772,915 | - | - | 772,915 | - | 772,915 |
| Miscellaneous | - | 11,063 | 10,743 | 34,474 | - | 20 | 56,300 | 265 | 56,565 |
| In-kind contributions | - | 110,864 | - | - | - | - | 110,864 | - | 110,864 |
| Total revenues | 4,212,507 | 2,392,338 | 1,635,423 | 3,079,547 | 558,616 | 1,028,650 | 13,017,945 | 443,556 | 13,461,501 |
| EXPENSES | | | | | | | | | |
| Payroll | \$ 366,230 | \$ 995,868 | \$ 456,739 | \$ 742,481 | \$ 261,181 | \$ 398,478 | \$ 3,220,977 | \$ 704,943 | \$ 3,925,920 |
| Payroll taxes | 36,938 | 113,538 | 48,112 | 71,929 | 26,440 | 44,552 | 341,509 | 65,385 | 406,894 |
| Employee benefits | 105,720 | 272,411 | 163,228 | 116,815 | 49,802 | 132,988 | 840,974 | 152,774 | 993,748 |
| Retirement | 25,437 | 54,464 | 27,418 | 54,689 | 13,879 | 14,206 | 190,093 | 67,519 | 257,612 |
| Advertising | 750 | 15,508 | 430 | 3,322 | - | 129 | 20,139 | 1,190 | 21,329 |
| Bank Charges | - | - | 2,023 | - | - | - | 2,023 | - | 2,023 |
| Bad debt expense | 455 | - | 19 | 2,457 | - | 4 | 2,935 | 5,041 | 7,976 |
| Commercial subsidy | - | - | - | - | - | 10,671 | 10,671 | - | 10,671 |
| Computer cost | 43 | 2,949 | 2,699 | 3,800 | 1,879 | - | 11,370 | 78,211 | 89,581 |
| Contractual | 325,048 | 55,175 | 89,472 | 93,879 | 97,225 | 120,497 | 781,296 | 6,151 | 787,447 |
| Depreciation | 7,902 | 11,128 | 249,555 | 145,479 | 5,604 | 5,604 | 419,668 | 50,444 | 470,112 |
| Dues/registration | - | 6,484 | 350 | 1,545 | - | 625 | 9,004 | 1,393 | 10,397 |
| Duplicating | 640 | 8,831 | 1,711 | 194 | - | - | 11,376 | 2,952 | 14,328 |
| Insurance | 6,633 | 13,375 | 23,207 | 44,849 | 581 | 4,537 | 93,182 | 49,750 | 142,932 |
| Interest | - | 10,971 | 12,662 | 24,242 | - | 1,142 | 49,017 | 140,095 | 189,112 |
| Meeting & conference | 2,110 | 630 | 10,356 | 8,936 | - | 17,909 | 39,941 | 12,303 | 52,244 |
| Miscellaneous expense | 41,461 | 2,333 | 2,725 | 62,321 | 80 | 5,899 | 114,819 | 41,884 | 156,703 |
| Miscellaneous taxes | - | - | - | 38,732 | - | - | 38,732 | 200 | 38,932 |
| Equipment purchases | - | 2,592 | 5,634 | 4,292 | 95 | - | 12,613 | 204 | 12,817 |
| Office expense | 11,464 | 19,310 | 12,954 | 2,655 | 5,018 | 98 | 51,499 | 13,325 | 64,824 |
| Postage | 29 | 381 | 139 | 462 | 429 | 35 | 1,475 | 20,623 | 22,098 |
| Professional | 1,000 | - | 1,500 | 30,420 | - | - | 32,920 | 82,021 | 114,941 |
| Staff development & training | 3,384 | 5,585 | 6,164 | 2,538 | - | 4,239 | 21,910 | 14,288 | 36,198 |
| Subscriptions | - | - | - | 397 | 135 | 750 | 1,282 | 1,699 | 2,981 |
| Telephone | 3,396 | 14,908 | 34,075 | 9,078 | 6,939 | 616 | 69,012 | 18,217 | 87,229 |
| Fax | 133 | - | - | - | - | - | 133 | - | 133 |
| Travel | 3,348 | 11,813 | 12,317 | 4,478 | 6,147 | 145 | 38,248 | 2,464 | 40,712 |
| Vehicle | 7,055 | 9,716 | 6,107 | 50,352 | - | 10,389 | 83,619 | 41,312 | 124,931 |
| Rent | - | 11,550 | 166 | 7,200 | - | - | 18,916 | - | 18,916 |
| Space costs | - | 110,000 | 277,330 | 192,082 | - | 1,598 | 581,010 | 106,418 | 687,428 |
| Direct client assistance | 3,222,794 | 176,979 | 441,079 | 105,011 | 33,429 | 8,687 | 3,987,979 | - | 3,987,979 |
| In-kind expenses | - | 110,864 | - | - | - | - | 110,864 | - | 110,864 |
| Total functional expenses before general and management allocation | 4,171,970 | 2,037,363 | 1,888,171 | 1,824,635 | 503,259 | 783,808 | 11,209,206 | 1,680,806 | 12,890,012 |
| GENERAL AND MANAGEMENT ALLOCATION | | | | | | | | | |
| Allocation of management and general expenses | 625,581 | 305,500 | 283,129 | 273,602 | 75,463 | 117,531 | 1,680,806 | (1,680,806) | - |
| TOTAL FUNCTIONAL EXPENSES | \$ 4,797,551 | \$ 2,342,863 | \$ 2,171,300 | \$ 2,098,237 | \$ 578,722 | \$ 901,339 | \$ 12,890,012 | \$ - | \$ 12,890,012 |

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE ELECTRIC ASSISTANCE PROGRAM
FOR THE YEAR ENDED MAY 31, 2014**

| | |
|---------------------|-------------------|
| Revenues | \$ 122,839 |
| Expenditures | |
| Personnel | \$ 87,767 |
| Administrative | <u>35,072</u> |
| | \$ 122,839 |

Note:

For the year ended May 31, 2014, the Electric Assistance Program, which is funded through the New Hampshire Public Utilities Commission with funds from the utility companies operating in the State of New Hampshire, was tested for compliance with the requirements of laws and regulations applicable to the contract with the Public Utilities Commission. In our opinion, Southwestern Community Services, Inc. complied, in all material respects, with the requirements outlined in the contract for the year ended May 31, 2014.

SOUTHWESTERN COMMUNITY SERVICES, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2014**

| <u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u> | <u>FEDERAL CFDA NUMBER</u> | <u>PASS-THROUGH GRANTOR'S NAME</u> | <u>PASS-THROUGH GRANTOR'S NUMBER</u> | <u>FEDERAL EXPENDITURE</u> |
|--|------------------------------------|--|--|--------------------------------|
| <u>U.S. Department of Agriculture</u> | | | | |
| Child and Adult Care Food Program | 10.558 | State of NH Department of Education | | \$ 106,583 |
| Women, Infants, and Children (WIC) | 10.557 | State of NH Dept. of Health & Human Services | | 241,661 |
| Commodity Supplemental Food Program | 10.565 | State of NH Dept. of Health & Human Services | 010-090-5260000-102-500734 | <u>152,056</u> |
| Total U.S. Department of Agriculture | | | | \$ <u>500,300</u> |
| <u>U.S. Department of Housing and Urban Development</u> | | | | |
| Emergency Solutions Grant Program | 14.231 | State of NH, DHHS, Bureau of Homeless & Housing | 05-95-95-958310-71760000-102-50731 | \$ 77,419 |
| Supportive Housing Program | 14.235 | State of NH, DHHS, Bureau of Homeless & Housing | 05-95-95-958310-71760000-102-50731 | 434,898 |
| Shelter Plus Care | 14.238 | State of NH, DHHS, Bureau of Homeless & Housing | 05-95-95-958310-71760000-102-50731 | <u>241,111</u> |
| Total U.S. Department of Housing and Urban Development | | | | \$ <u>753,428</u> |
| <u>U.S. Department of Labor</u> | | | | |
| WIA Cluster - WIA Adult | 17.258 | Southern NH Services | | \$ 71,880 |
| WIA Cluster - WIA Dislocated | 17.278 | Southern NH Services | | <u>83,578</u> |
| Total U.S. Department of Labor | | | | \$ <u>155,458</u> |
| <u>U.S. Department of Energy</u> | | | | |
| Weatherization Assistance for Low-Income Persons | 81.042 | State of NH Office of Energy & Planning | 01-02-024010-7706-074-500587 | \$ <u>59,431</u> |
| Total U.S. Department of Energy | | | | \$ <u>59,431</u> |
| <u>U.S. Department of Veterans Affairs</u> | | | | |
| VA Support Services for Veterans Families Program | 64.033 | | | \$ <u>98,605</u> |
| Total U.S. Department of Veterans Affairs | | | | \$ <u>98,605</u> |
| <u>U.S. Department of Health & Human Services</u> | | | | |
| Administration on Aging, Title III, Part B | 93.044 | State of NH Office of Energy & Planning | 1035506 | \$ 5,408 |
| National Family Care Giver Support, Title III, Part E | 93.052 | State of NH, DHHS, Div of Elderly & Adult Services | 177511 | 94,805 |
| Drug-Free Communities Support Program Grants | 93.276 | | | 125,100 |
| Temporary Assistance for Needy Families | 93.558 | Southern NH Services | | 269,282 |
| Low Income Home Energy Assistance | 93.568 | State of NH, Office of Energy & Planning | 1025874 | 3,590,829 |
| Community Services Block Grant | 93.569 | State of NH, DHHS, Div. of Family Assistance | 500731 | 291,126 |
| CSBG - Discretionary | 93.570 | State of NH, DHHS, Div. of Family Assistance | 500731 | 10,484 |
| Head Start | 93.600 | | | <u>1,836,182</u> |
| Total U.S. Department of Health & Human Services | | | | \$ <u>6,223,216</u> |
| TOTAL | | | | \$ <u>7,790,438</u> |

See Notes to Schedule of Expenditures of Federal Awards

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2014**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal grant activity of Southwestern Community Services, Inc. under programs of the federal government for the year ended May 31, 2014. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Southwestern Community Services, Inc., it is not intended to and does not present the financial position, change in net assets, or cash flows of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 FOOD DONATION

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

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

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

To the Board of Directors of
Southwestern Community Services, Inc.
Keene, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Southwestern Community Services, Inc. and related companies (a New Hampshire nonprofit corporation), which comprise the consolidated statement of financial position as of May 31, 2014, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related consolidated notes to the financial statements, and have issued our report thereon dated January 26, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

*Leone McDonnell Roberts,
Professional Association*

January 26, 2015
Wolfeboro, New Hampshire

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors of
Southwestern Community Services, Inc.
Keene, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited Southwestern Community Services, Inc.'s (a New Hampshire nonprofit corporation) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Southwestern Community Services, Inc.'s major federal programs for the year ended May 31, 2014. Southwestern Community Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Southwestern Community Services, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Southwestern Community Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Southwestern Community Services, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Southwestern Community Services, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2014.

Report on Internal Control Over Compliance

Management of Southwestern Community Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southwestern Community Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Southwestern Community Services, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Leone McDonnell Roberts,
Professional Association*

January 26, 2015
Wolfeboro, New Hampshire

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MAY 31, 2014**

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the consolidated financial statements of Southwestern Community Services, Inc.
2. No significant deficiencies disclosed during the audit of the consolidated financial statements are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the consolidated financial statements of Southwestern Community Services, Inc. which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133*. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for Southwestern Community Services, Inc. expresses an unmodified opinion on all major federal programs.
6. There were no audit findings which the auditor would be required to report under Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs were: Department of Health and Human Services; Low-Income Home Energy Assistance, 93.568, Temporary Assistance for Needy Families, 93.558, Drug-Free Communities Support Program Grants, 93.276. United States Department of Agriculture; Commodity Supplemental Food Program, 10.565. Department of Veterans Affairs; VA Supportive Services for Veteran Families Program, 64.033.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Southwestern Community Services, Inc. was determined to not be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED MAY 31, 2014**

FINDINGS - FINANCIAL STATEMENTS AUDIT

2013-1

Condition: Control systems did not prevent, or detect and correct a material misstatement that was identified by the auditor. Specifically, management did not account for inventory properly as an asset.

Recommendation: Review the criteria above (FASB ASC 330-10-30-1) and incorporate it into the accounting process.

Current Status: Controls have been implemented to ensure that inventory is properly recorded.

2013-2

Condition: Control systems did not prevent, or detect and correct material misstatements that were identified by the auditor. Specifically, management did not reconcile various asset, liability, and equity accounts.

Recommendation: Implement a policy that requires the Chief Financial Officer or Fiscal Director to reconcile the accounts outside of cash, accounts receivable, and accounts payable, at least, at year end.

Current Status: Controls have been implemented to ensure that balance sheet accounts are reconciled.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

None

Southwestern Community Services, Inc. Board of Directors - 2016 -

Elaine Amer/*Clerk/Treasurer*

Dave Edkins

Vacant

Leroy Austin

Beth Fox

Mary Lou Huffling

Anne Beattie

Raymond Gagnon

Peter (Sturdy) Thomas

Scott Croteau/*Vice Chairperson*

Senator Molly Kelly

Vacant

Penny Despres

Louis Gendron

Cathy Paradis

Daisy Heath

Jessie Levine

Kevin Watterson/*Chairperson*

John A. Manning

Summary

Over 30 years of experience with non-profit organizations, as both an outside auditor and presently Chief Financial Officer of a large community action agency.

Experience

2014–Present Southwestern Community Services Inc.
Keene, NH

Chief Executive Officer

Oversees all fiscal functions for a community action agency providing services to low and moderate income individuals. Programs include Head Start, Fuel Assistance, and multiple affordable housing projects. Reports to the agency board of directors.

1990–2014 Southwestern Community Services Inc.
Keene, NH

Chief Financial Officer

Oversees all fiscal functions for a community action agency providing services to low and moderate income individuals. Programs include Head Start, Fuel Assistance, and multiple affordable housing projects. Supervises a staff of 7, with an agency budget of over \$ 13,000,000. Also oversees agency property management department, which manages over 300 units of affordable housing.

1985-1995 Keene State College Keene, NH

Adjunct Professor

Taught evening accounting classes for their continuing education program.

1978-1990 John A. Manning, Keene, NH

Certified Public Accountant

Provided public accounting services to small and medium sized clients, including multiple non-profit organizations. Performed certified audits on several clients, including Head Start and other non-profit clients

1975-1978 Kostin and Co. CPA's West Hartford, Ct.

Staff Accountant

Performed all aspects of public accounting for medium sized accounting firm. Audited large number of privately held and non-profit clients.

Education

1971–1975 University of Mass. Amherst, Ma.
▪ B.S. Business Administration in Accounting

Organizations

American Institute of Certified Public Accountants
NH Society of Certified Public Accountants

Laurie J. Tyler

Qualifications

Successful fundraising and grant writing skills
Managing multiple Housing Units and Programs
Twenty years experience in leadership and administration
Strong written and oral communication ability
Strong work ethic and a self-driven passion for the cause

Professional Experience

Director of Homeless Services Program Development December 2000 – present
Southwestern Community Services, Inc., Keene, NH

- Directed and maintained staff of 16 employees and volunteers while overseeing six homeless shelters with 140+ beds within two counties. Assure quality of services provided for up to 500 Homeless individuals/families with shelter and/or voucher programs.
- Grant writing for programs such as LTTHP, SCLTTHP, EHS, SSVF, Rapid Re-housing S+C, etc. Have been awarded more than \$2.5mil in Grants that are renewed via competitive proposals.
- Brick & Mortar Federal Grants for Construction/Acquisitions Monies. Awarded more than \$2.3mil in monies for Shelter, PHP and 2ND Chance Programs.
- Fund Raising Charitable Contributions. Worked with business and agencies (FEMA, PSNH, Monadnock United Way, Walmart, Sprinkler Funds and Private Donors) to receive in excess of \$130k in miscellaneous awards and private donations.
- Experienced with Grants that are renewed via competitive proposals, fundraising programs and compliance reporting (to include private/public foundations, local/state/federal government)
- Assure compliance with Federal, State, Local, legal and funding requirements. Participate in Community/Professional Networking events including conference trainings and public speaking.

Administrative Assistant/Assistant Office Manager May 1995 – Jan 2001
Monadnock Area Psychotherapy & Spirituality Services, Keene, NH

- Manage office staff and maintenance employees. Coordinate and manage efficient procedures for successful office operations and client intake and assignment administration
- Monitor cash flow by managing accounts receivable and accounts payable.
- Establish and maintain successful billing and tracking system. Prepare and analyze monthly and yearly financial statements to include yearly budget preparation.

Office Manager 1988-1995
Khouw & Post Professional Association, Keene, NH

- Prepared and analyzed monthly and yearly financial statements. Monitored cash flow by managing accounts receivable and accounts payable.
- Trained and supervised clerical staff. Managed and monitored personnel policies and benefits.

Education

- **Bachelor of Science, Management**, Franklin Pierce College, Keene, NH
 - 3.68 G.P.A., Magna Cum Laude, Management Departmental Honors
- **Giving Monadnock Non-Profit Fundraising Institute**, Antioch College, Keene, NH
 - Certification on stimulating, promoting, and inspiring an increased level of philanthropy.
- **Leadership Development Training**, Tad Dwyer, Keene, NH

Other

- Experienced with both IBM PC's and Macintosh Computers with proficiencies in MS Word, Quickbooks, and Excel.
- Annual trainings in CPI, Blood borne Pathogens, Mental Health, Substance Abuse, Brain Injuries, Military Culture, Housing 101, Case Management, etc.
- Published article in college science textbook.

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services

Contractor Name: Southwestern Community Services, Inc.

Name of Program: Substance Use Disorder Regional Access Point Services

| BUDGET PERIOD: SFY 15 | | | | |
|---|-----------|-----------|---------------------------------|--------------------------------|
| NAME | JOB TITLE | SALARY | PERCENT PAID FROM THIS CONTRACT | AMOUNT PAID FROM THIS CONTRACT |
| John Manning | CEO | \$119,642 | 0.00% | \$0.00 |
| Laurie Tyler | Services | \$55,702 | 0.00% | \$0.00 |
| | | \$0 | 0.00% | \$0.00 |
| | | \$0 | 0.00% | \$0.00 |
| | | \$0 | 0.00% | \$0.00 |
| | | \$0 | 0.00% | \$0.00 |
| TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request) | | | | \$0.00 |

