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STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF ECONOMIC & HOUSING STABILITY  
BUREAU OF HOUSING SUPPORTS

Jeffrey A. Meyers  
Commissioner

Melissa Hatfield  
Director

129 PLEASANT STREET, CONCORD, NH 03301-3857  
603-271-9196 1-800-852-3345 Ext. 9196  
Fax: 603-271-5139 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

June 4, 2018

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

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Office of Human Services, Bureau of Housing Supports to enter into **sole source** agreements with the vendors below to provide permanent housing programs to chronically homeless individuals and families through the Federal Continuum of Care program in an amount not to exceed \$1,784,345, effective July 1, 2018 upon Governor and Executive Council approval through June 30, 2019. 100% Federal Funding.

Vendor Name	Project Name	Vendor #	Location	SFY 2019 Amount
Behavioral Health and Developmental Services of Strafford County, Inc. dba Community Partners	Tideview Condos Permanent Housing	177278-B002	Dover	\$41,011
Center for Life Management	Family Housing I Permanent Housing	174116-R001	Derry	\$261,579
Center for Life Management	Permanent Housing I	174116-R001	Derry	\$295,790
Community Action Partnership Strafford County	Coordinated Entry	177200-B004	Statewide	\$38,524
Community Action Program Belknap-Merrimack Counties, Inc.	Coordinated Entry	177203-B003	Statewide	\$86,722
Families in Transition, Inc.	Concord Community Leasing II Permanent Housing	157730-B001	Concord	\$96,693
Families in Transition, Inc.	Concord Permanent Housing	157730-B001	Concord	\$68,585

Vendor Name	Project Name	Vendor #	Location	SFY 2019 Amount
Harbor Homes, Inc.	Permanent Housing II	155358-B001	Nashua	\$208,677
Lakes Region Mental Health Center, Inc. d/b/a Genesis Behavioral Health	McGrath Street Permanent Housing	154480-B001	Laconia	\$97,528
Southwestern Community Services, Inc.	Permanent Housing Cheshire County	177511-R001	Cheshire & Sullivan Counties	\$82,804
Southwestern Community Services, Inc.	Coordinated Entry	177511-R001	Statewide	\$86,552
Southwestern Community Services, Inc.	Shelter Plus Care Permanent Housing	177511-R001	Cheshire & Sullivan Counties	\$274,024
Tri-County Community Action Program, Inc.	Coordinated Entry	177195-B009	Statewide	\$130,822
Tri-County Community Action Program, Inc.	Permanent Supportive Housing I	177195-B009		\$15,034
			<b>Total:</b>	<b>\$1,784,345</b>

Funds are available in the following account in State Fiscal Year 2019, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

**05-95-42-423010-7927 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM**

State Fiscal Year	Class/Account	Title	Amount
2019	102-500731	Contracts for Program Services	\$1,784,345
			<b>Total: \$1,784,345</b>

**EXPLANATION**

These requests are **sole source** because federal regulations require the Department to specify each vendor's name during the federal Continuum of Care program renewal application process, completed annually, prior to the grant award being issued. The U.S. Department of Housing and Urban Development reviews the applications and awards funding based on its criteria. The application process and timing of grant terms do not align with state or federal fiscal years. The start date of a grant is based on the month in which each grant's original federal agreement was issued. This results in Continuum of Care program grant start dates, and subsequent renewal approval requests, occurring in various months throughout the year.

The attached agreements represent fourteen (14) of thirty (30) total agreements with vendors who are located throughout the state to ensure statewide delivery of housing services through New Hampshire's Continuum of Care Program.

Based on the continued receipt and availability of federal funds, and pursuant to these agreements, vendors will utilize Continuum of Care funds to provide supportive, operating and administrative services and rental/leasing assistance for permanent housing programs for chronically homeless individuals and families to promote the ability of participants to live more independently.

The U.S. Department of Housing and Urban Development established the Continuum of Care concept to support communities in their efforts to address the problems of housing and homelessness in a coordinated, comprehensive, and strategic fashion. The Continuum of Care serves three main purposes:

- (1) A strategic planning process for addressing homelessness in the community.
- (2) A process to engage broad-based, community-wide involvement in addressing homelessness on a year-round basis.
- (3) An opportunity for communities to submit an application to the U.S. Department of Housing and Urban Development for resources targeting housing and support services for homeless individuals and families.

The Bureau assures contract compliance and vendor performance in the following ways:

- (1) Annual compliance reviews shall be performed that include the collection of data relating to compliance with administrative rules and contractual agreements.
- (2) Statistical reports shall be submitted on a semi-annual basis from all funded vendors, including various demographic information and income and expense reports including match dollars.
- (3) All vendors funded for transitional, permanent or coordinated entry housing, or outreach services will be required to maintain timely and accurate data entry on the New Hampshire Homeless Management Information System, unless they are required by law to use an alternate data collection. The NH Homeless Management Information System will be the primary reporting tool for outcomes and activities of shelter and housing programs funded through this contract.

Should the Governor and Executive Council not authorize these requests, supportive services for homeless individuals and their families may not be available in their communities, and there may be an increase in demand for services placed upon the region's local welfare authorities. It may also cause individuals and/or families to become homeless.

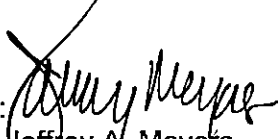
Area served: Statewide.

Source of funds: 100% Federal Funds from the U.S. Department of Housing and Urban Development, Office of Community Planning and Development, Catalog of Federal Domestic Assistance Number (CFDA) #14.267.

In the event that the federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,

  
For Christine M. Tappan  
Associate Commissioner

Approved by:   
Jeffrey A. Meyers  
Commissioner



Subject: Continuum of Care, Tideview Condos Permanent Housing, SS-2019-BHHS-03-Perma-23


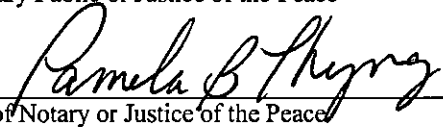

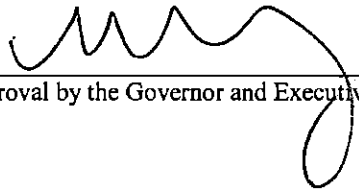
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Behavioral Health & Developmental Services of Strafford County, Inc. dba Community Partners		1.4 Contractor Address 113 Crosby Road Dover, NH 03820	
1.5 Contractor Phone Number (603) 516-9300	1.6 Account Number 05-95-42-423010-7927-102-500731	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$41,011
1.9 Contracting Officer for State Agency E. Maria Reinemann, Esq. Director of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9330	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Kathleen Boisclair, President	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Strafford</u> On <u>5/22/18</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 		PAMELA BECKER THYNG, Notary Public State of New Hampshire My Commission Expires April 18, 2022. Pamela Thyng Grantwriter	
1.13.2 Name and Title of Notary or Justice of the Peace			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Date: <u>6/6/18</u> <u>Christie Tappan, Associate Commissioner</u>	
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: <u>Megan A. Leary - Attorney</u> <u>6/7/18</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

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

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

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, 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 K. B.  
Date 5/22/18



**SCOPE OF SERVICES**

**Permanent Housing Program**

**1. Provisions Applicable to All Services**

- 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.2. 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, through the Bureau of Housing Supports, has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. 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 their programs and/or services within ten (10) days of the contract effective date; submitted to:  
  
NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301
- 1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

**2. Scope of Services**

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) CoC Program, the Contractor shall provide a Permanent Housing, Permanent Supportive Housing or Rapid Re-Housing project which includes, but is not limited to:
  - 2.1.1. Utilization of the "Housing First" model, which shall at a minimum, not impose barriers to entering housing, beyond those required by regulation or statute, and will only terminate project participation for the most severe reasons once available options have been exhausted to help a participant maintain housing.  
  
"Housing First" details can be accessed at:  
<https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf>
  - 2.1.2. The development of a stabilization plan and crisis management plan with the participant, at intake and, at a minimum, annually. An ongoing Assessment of Housing and Supportive Services is required, with the ultimate goal being assistance to the participant in obtaining the skills necessary to live in the community independently.
  - 2.1.3. The CoC Program interim rule, 24 CFR Part 578, requires that all CoCs implement a Coordinated Entry System (CES) in collaboration with any projects funded by the CoC Program, ESG Program, and HOPWA Program.  
  
24 CFR Part 578 can be accessed at:  
<https://www.hudexchange.info/resources/documents/CoCProgramInterimRuleFormattedVersion.pdf>



Exhibit A

- 2.1.4. The subrecipient is required to comply with applicable civil rights laws, per CFR Section 578.93, addressing nondiscrimination and equal opportunity requirements. Section 578.93(a) states that the nondiscrimination and equal opportunity requirements set forth in 24 CFR 578.105 (a) apply. This includes, but is not limited to, the Fair Housing Act, Title VI of Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 (Section 504), and title II of the Americans with Disabilities Act.
- 2.1.5. The subrecipient must establish and maintain standard operating procedures for ensuring that CoC program funds are used in accordance with the requirements of 24 CFR 578 and must establish and maintain sufficient records to enable HUD and BHS to determine whether the subrecipient is meeting the requirements, including:
  - 2.1.5.1. Continuum of Care records: Each collaborative applicant must keep the following documentation related to establishing and operating a CoC;
  - 2.1.5.2. Evidence that the Board selected by the Continuum of Care meets the requirements of § 578.5(b);
  - 2.1.5.3. Evidence that the Continuum has been established and operated as set forth in subpart B of this part, including published agendas and meeting minutes, an approved Governance Charter that is reviewed and updated annually, a written process for selecting a board that is reviewed and updated at least once every five (5) years, evidence required for designating a single Homeless Management Information System (HMIS) for the Continuum, and monitoring reports of recipients and subrecipients; and
  - 2.1.5.4. Evidence that the Continuum has prepared the application for funds as set forth in § 578.9, including the designation of the eligible applicant to be the collaborative applicant.
- 2.2. Unified funding agency records (UFAs) that requested grant amendments from HUD, as set forth in § 578.105, must keep evidence that the grant amendment was approved by the Continuum. This evidence may include minutes of meetings at which the grant amendment was discussed and approved.
- 2.3. Homeless status. Acceptable evidence of homeless status is set forth in 24 CFR 576.500(b).
- 2.4. At risk of homelessness status. For those recipients and subrecipients that serve persons at risk of homelessness, the recipient or subrecipient must keep records that establish "at risk of homelessness" status of each individual or family who receives CoC homelessness prevention assistance. Acceptable evidence is found in 24 CFR 576.500(c).
- 2.5. Records of reasonable belief of imminent threat of harm. For each program participant who moved to a different CoC due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking under § 578.51(c)(3), each recipient or subrecipient of assistance under this part must retain:
  - 2.5.1. Documentation of the original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file. This may be written observation of the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; court records or law enforcement records; or written certification by the program participant to whom the violence occurred or by the head of household.
  - 2.5.2. Documentation of the reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking, which would include threats from a third-party, such as a friend or family member of the perpetrator of the violence. This may be written observation



Exhibit A

by the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.

- 2.6. Annual income. For each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, the recipient or subrecipient must keep the following documentation of annual income:
  - 2.6.1. Income evaluation form specified by HUD and completed by the recipient or subrecipient; and
  - 2.6.2. Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement) for the assets held by the program participant and income received before the date of the evaluation;
  - 2.6.3. To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period; or
  - 2.6.4. To the extent that source documents and third-party verification are unobtainable, the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the three (3) month period following the evaluation.
- 2.7. Program participant records. In addition to evidence of homelessness status or at-risk-of-homelessness status, as applicable, the recipient or subrecipient must keep records for each program participant that document:
  - 2.7.1. The services and assistance provided to that program participant, including evidence that the recipient or Subrecipient has conducted an annual assessment of services for those program participants that remain in the program for more than a year and adjusted the service package accordingly, and including case management services as provided in § 578.37(a)(1)(ii)(F); and
  - 2.7.2. Where applicable, compliance with the termination of assistance requirement in § 578.91.
- 2.8. Housing standards. The recipient or subrecipient must retain documentation of compliance with the housing standards in § 578.75(b), including inspection reports.
- 2.9. Services provided. The recipient or subrecipient must document the types of supportive services provided under the recipient's program and the amounts spent on those services. The recipient or subrecipient must keep record that these records were reviewed at least annually and that the service package offered to program participants was adjusted as necessary.
- 2.10. Match. The recipient must keep records of the source and use of contributions made to satisfy the match requirement in § 578.73. The records must indicate the grant and fiscal year for which each matching contribution is counted. The records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.
- 2.11. Conflicts of interest. The recipient and its subrecipients must keep records to show compliance with the organizational conflict-of-interest requirements in § 578.95(c), the Continuum of Care board conflict-of-interest requirements in § 578.95(b), the other conflict requirements in §



Exhibit A

- 578.95(d), a copy of the personal conflict-of-interest policy developed and implemented to comply with the requirements in § 578.95, and records supporting exceptions to the personal conflict-of-interest prohibitions.
- 2.12. Homeless participation. The recipient or subrecipient must document its compliance with the homeless participation requirements under § 578.75(g).
  - 2.13. Faith-based activities. The recipient and its subrecipients must document their compliance with the faith-based activities requirements under § 578.87(b).
  - 2.14. Affirmatively Furthering Fair Housing. Recipients and subrecipients must maintain copies of their marketing, outreach, and other materials used to inform eligible persons of the program to document compliance with the requirements in § 578.93(c).
  - 2.15. Other federal requirements. The recipient and its subrecipients must document their compliance with the federal requirements in § 578.99, as applicable.
  - 2.16. Subrecipients and contractors.
    - 2.16.1. The recipient must retain copies of all solicitations of and agreements with subrecipients, records of all payment requests by and dates of payments made to subrecipients, and documentation of all monitoring and sanctions of subrecipients, as applicable.
    - 2.16.2. The recipient must retain documentation of monitoring subrecipients, including any monitoring findings and corrective actions required.
    - 2.16.3. The recipient and its subrecipients must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR part 84.
  - 2.17. Other records specified by HUD. The recipient and subrecipients must keep other records specified by HUD.
  - 2.18. Confidentiality. In addition to meeting the specific confidentiality and security requirements for HMIS data, the recipient and its subrecipients must develop and implement written procedures to ensure:
    - 2.18.1. All records containing protected identifying information of any individual or family who applies for and/or receives Continuum of Care assistance will be kept secure and confidential;
    - 2.18.2. The address or location of any family violence project assisted with Continuum of Care funds will not be made public, except with written authorization of the person responsible for the operation of the project; and
    - 2.18.3. The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with State and local laws regarding privacy and obligations of confidentiality;
  - 2.19. Period of record retention. All records pertaining to Continuum of Care funds must be retained for the greater of five (5) years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.
    - 2.19.1. Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for five (5) years after the expenditure of all funds from the grant under which the program participant was served; and
    - 2.19.2. Where Continuum of Care funds are used for the acquisition, new construction, or rehabilitation of a project site, records must be retained until fifteen (15) years after the date that the project site is first occupied, or used, by program participants.





Exhibit A

2.20. Access to records.

2.20.1. Federal Government rights. Notwithstanding the confidentiality procedures established under paragraph (2.18.) of this section, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the recipient and its subrecipients that are pertinent to the Continuum of Care grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period, but last as long as the records are retained.

2.20.2. Public rights. The recipient must provide citizens, public agencies, and other interested parties with reasonable access to records regarding any uses of Continuum of Care funds the recipient received during the preceding five (5) years, consistent with State and local laws regarding privacy and obligations of confidentiality and confidentiality requirements in this part.

2.21. Based on the continued receipt/availability of federal funds from HUD COC, over the grant period, the Contractor shall provide a permanent housing program that shall serve six (6) homeless individuals with disabilities.

2.22. The Contractor shall support the primary goal of this program which is to facilitate the movement of homeless and chronically homeless individuals and families to permanent housing and maximum self-sufficiency.

2.23. The Contractor shall maintain adherence to federal and state financial and confidentiality laws, and agrees to comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the 2017 NOFA Project Application approved by HUD.

2.24. The Contractor shall provide services according to HUD regulations as outlined in Public Law 102-550 and 24 CFR Part 578: Continuum of Care Program and other written HUD policies and directives as appropriate.

Public Law 102-550 can be accessed at:

<https://www.congress.gov/public-laws/102nd-congress>

The Electronic Code of Federal Regulations can be accessed at:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=2bfae50cb70b6febbaa82e6a7c0cf6b6b&mc=true&node=pt24.3.578&rgn=div5>

**3. Program Reporting Requirements**

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the subrecipient is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.3 Exhibit A; and

3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.

NH HMIS policy can be accessed at:

<http://www.nh-hmis.org>

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is



Exhibit A

required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.

- 3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by BHS.
- 3.4. The Contractor shall cooperate fully with and answer all questions of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.

**4. Contract Administration**

- 4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with Contractor performance.
- 4.3. The Contractor shall inform BHS of any staffing changes within thirty (30) days of the change.
- 4.4. Contract records shall be retained for a period of five (5) years or as required by state or federal law, following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and BHS.



Exhibit B

**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**1. Permanent Housing Program**

1.1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement pursuant to Exhibit A, Scope of Services, the State agrees to pay the Contractor an amount not to exceed Form P-37, Block 1.8, Price Limitation and for the time period specified below.

1.1.1. This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund:	0%
Federal Funds:	100%
CFDA #:	14.267
Grant Number:	NH0022L1T001710
Federal Agency:	U.S. Department of Housing & Urban Development (HUD)
Program Title:	Continuum of Care, Permanent Housing Program
Total Amount Continuum of Care;	
July 1, 2018 – June 30, 2019: not to exceed \$41,011	
Funds allocation under this agreement for Continuum of Care Program;	
Administrative Expenses:	\$1,039
Leasing Expenses:	\$0
Operating Expenses:	\$5,734
Rental Assistance:	\$0
Supportive Services:	<u>\$34,238</u>
Total program amount:	\$41,011

1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

**2. Reports**

2.1. As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

2.1.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with 2 CFR part 200 which can be accessed at:

[https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State at the following address:

NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301



**Exhibit B**

2.2. Where the Contractor is not subject to the requirements of 2 CFR part 200, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

**3. Project Costs: Payment Schedule; Review by the State**

3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of 2 CFR part 200.

3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 578.87(c).

3.3. The subrecipient must match all grant funds, except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources. Cash match must be used for the cost of activities that are eligible under subpart D of 24 CFR 578.

3.4. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578, and in compliance with the budget detail and narrative, as outlined in the 2017 NOFA Project Application approved by HUD, the State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of P.L. 102-550 and other applicable regulations.

3.4.1. Payment of Project Costs shall be made through the utilization of funds as provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount and time period not to exceed as specified above in section 1.1.1. Exhibit B.

3.4.2. Authorized expenses shall be those expenses as detailed in Exhibit B-1, Budget.

3.5. Schedule of Payments: Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor agrees to keep records of their activities related to Department programs and services, and shall provide additional financial information if requested by the State to verify expenses. Invoices shall be submitted promptly to the address listed above in section 2.1.1. Exhibit B.

3.6. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all



**Exhibit B**

payments made to date. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture.

- 3.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.

**4. Use Of Grant Funds**

- 4.1. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.
- 4.2. Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

**5. Expense Eligibility**

- 5.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize Continuum of Care Program agreement value specified in Exhibit B of this agreement from the HUD Continuum of Care Program, for contract services.

**5.1.1. Operating Expenses**

- 5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.
- 5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

**5.1.2. Supportive Services**

- 5.1.2.1. Eligible supportive services costs must comply with all HUD regulations in 24 CFR 578.53. Eligible services are available to those individuals actively participating in the permanent housing program.
- 5.1.2.2. Eligible costs include:
- 5.1.2.3. mental health services;
- 5.1.2.4. case management services;
- 5.1.2.5. salaries of Contractor staff providing supportive services;
- 5.1.2.6. reasonable one-time moving costs (truck rental and hiring a moving company);
- 5.1.2.7. child-care costs for establishing and operating child care;



Exhibit B

- 5.1.2.8. providing child-care vouchers for children from families experiencing homelessness (including meals, snacks, comprehensive and coordinated developmental activities);
- 5.1.2.9. education services;
- 5.1.2.10. employment assistance and job training skills;
- 5.1.2.11. housing search and counseling services;
- 5.1.2.12. legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing);
- 5.1.2.13. outpatient health services; and
- 5.1.2.14. transportation services and utility deposits.
- 5.1.2.15. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.

5.1.3. Rental Assistance

- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
- 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
- 5.1.3.3. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
- 5.1.3.4. Rental assistance will only be provided for a unit if the rent is reasonable. The Contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.
- 5.1.3.5. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits.
- 5.1.3.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
- 5.1.3.7. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
- 5.1.3.8. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require



**Exhibit B**

program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid Re-Housing program component must be tenant based rental assistance.

- 5.1.3.9. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.1.3.10. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.1.3.11. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.

**5.1.4. Administrative Costs**

5.1.4.1. Administrative costs include:

5.1.4.2. preparing program budgets;

5.1.4.3. schedules and amendments;

5.1.4.4. developing systems for assuring compliance with program requirements;

5.1.4.5. developing interagency agreements and agreements with subrecipients and Contractors to carry out program activities;

5.1.4.6. preparing reports and other documents related to the program for submission to HUD;

5.1.4.7. evaluating program results against stated objectives;

5.1.4.8. travel costs incurred for official business in carrying out the program;

5.1.4.9. administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services) and;

5.1.4.10. other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).

5.1.5. Leasing: Leasing may include leasing one structure or leasing units scattered throughout a community.

5.1.5.1. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Contractor.

5.1.5.2. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.

5.1.5.3. The Contractor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.

5.1.5.4. Property damages may only be paid from money paid to landlord for security deposits.

5.1.5.5. The Contractor cannot lease a building that it already owns to itself.



**Exhibit B**

- 5.1.5.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
- 5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).
  - 5.2.1. The Contractor must match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.
  - 5.2.2. Match requirements are to be documented with each payment request.
- 5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 5. Expense Eligibility, Exhibit B. The Contractor must have written approval from the State prior to billing for any other expenses.
- 5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
- 5.5. The Contractor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.

**6. Contractor Financial Management System**

- 6.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
- 6.2. The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3, Project Costs: Payment Schedule; Review by the State, of this Agreement.



Exhibit B-1 Budget

NH BUREAU OF HOMELESS AND HOUSING SERVICES  
Continuum of Care Program Payment Request Form

2017 NOFA

**For BHHS use only**  
**Vendor # 177278 - B002**  
**Contract #      Line # 1**  
**Invoice: CPSTV**  
**Descriptor: NH0022L1T001710**  
**Account: 010-042-7927-102-500731**  
**Add Activities**  
**Amount \$**  
**Job #**  
**Amount \$**  
**Job #**  
**Amount \$**  
**Job #**

Provider Authorizing Signature

BHHS USE ONLY		
Amount	Initial	Date
\$ -	KS	
Amy O' Hara, Financial Manager		

BEHAVIORAL HEALTH AND DEVELOPMENT Community Partners (DBHS of Strafford County)							
Service Period:							
Operating Year 7/1/2018 - 6/30/2019							
COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H
ACTIVITY NAME	Activity Budget	Pymts requested	MATCH Previously Applied	Balance	Amount Requested This Invoice	Match applied this invoice	Balance
Operations	\$ 5,734.00	\$ -		\$ 5,734.00	\$ -		\$ 5,734.00
Maintenance/ Repair				\$ -			\$ -
Property Taxes & Insurance				\$ -			\$ -
Electricity, Gas & Water				\$ -			\$ -
<b>Supportive Services</b>	<b>\$ 34,238.00</b>	<b>\$ -</b>		<b>\$ 34,238.00</b>	<b>\$ -</b>		<b>\$ 34,238.00</b>
Case Management	\$ 7,104.00			\$ 7,104.00			\$ 7,104.00
Life Skills	\$ 14,486.00			\$ 14,486.00			\$ 14,486.00
Mental Health Services	\$ 10,301.00			\$ 10,301.00			\$ 10,301.00
Outreach	\$ 1,776.00			\$ 1,776.00			\$ 1,776.00
Transportation	\$ 571.00			\$ 571.00			\$ 571.00
Administration	\$ 1,039.00			\$ 1,039.00			\$ 1,039.00
25% Required Match	\$ 10,512.50			\$ 10,512.50			\$ 10,512.50
Total HUD Funding	\$ 41,011.00	\$ -		\$ 41,011.00			\$ 41,011.00
				Please Pay this Amount	\$ -		

Vendor Initials K.B  
Date 5/22/18



**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 (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) 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



- 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.



**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.



**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.

5/22/18  
Date

Contractor Name:  
Behavioral Health & Developmental Services of Strafford County, Inc.  
d/b/a Community Partners  
Kathleen Boisclair  
Name: Kathleen Boisclair  
Title: President



**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):

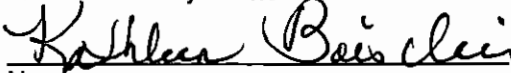
- \*Temporary Assistance to Needy Families under Title IV-A
- \*Child Support Enforcement Program under Title IV-D
- \*Social Services Block Grant Program under Title XX
- \*Medicaid Program under Title XIX
- \*Community Services Block Grant under Title VI
- \*Child Care Development Block Grant under 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-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name:  
Behavioral Health & Developmental Services of Strafford County, Inc.  
d/b/a Community Partners

  
Name: Kathleen Boisclair  
Title: President

5/22/18  
Date



**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.

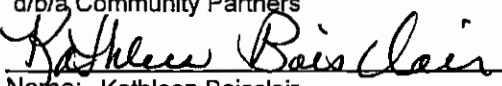
#### PRIMARY COVERED TRANSACTIONS

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.

Date 5/22/18

Contractor Name:  
Behavioral Health & Developmental Services of Strafford County, Inc.  
d/b/a Community Partners  
  
Name: Kathleen Boisclair  
Title: President



**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

Contractor Initials K.B.

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

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.

5/22/18  
Date

Contractor Name:  
Behavioral Health & Developmental Services of Strafford County, Inc.  
d/b/a-Community Partners

Kathleen Boisclair  
Name: Kathleen Boisclair  
Title: President

Exhibit G

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

Contractor Initials K.B.

Date 5/22/18



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Contractor Name:

Behavioral Health & Developmental Services of Strafford County, Inc.  
d/b/a Community Partners

*Kathleen Boisclair*

Name: Kathleen Boisclair  
Title: President

Date

5/22/18

Contractor Initials

K.B.

Date

5/22/18



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.





Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

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

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

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

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

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (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



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

**(6) Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



Exhibit I

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

Department of Health and Human Services  
 The State  
 \_\_\_\_\_  
 Signature of Authorized Representative  
*Christie Tappan*  
 \_\_\_\_\_  
 Name of Authorized Representative  
 Associate Commissioner  
 \_\_\_\_\_  
 Title of Authorized Representative  
 6/6/18  
 \_\_\_\_\_  
 Date

Behavioral Health & Developmental Services of Strafford County, Inc.  
 d/b/a Community Partners  
 \_\_\_\_\_  
 Name of the Contractor  
*Kathleen Boisclair*  
 \_\_\_\_\_  
 Signature of Authorized Representative  
 Kathleen Boisclair  
 \_\_\_\_\_  
 Name of Authorized Representative  
 President  
 \_\_\_\_\_  
 Title of Authorized Representative  
 5/22/18  
 \_\_\_\_\_  
 Date



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

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

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

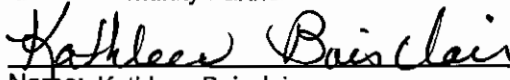
1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)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

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

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

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

Contractor Name:  
Behavioral Health & Developmental Services of Strafford County, Inc.  
d/b/a Community Partners

  
Name: Kathleen Boisclair  
Title: President

5/22/18  
Date



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: 149406691
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: _____



Exhibit K

DHHS Information Security Requirements

A. Definitions

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

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

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

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





Exhibit K

DHHS Information Security Requirements

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

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

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

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

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



Exhibit K

DHHS Information Security Requirements

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

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

**II. METHODS OF SECURE TRANSMISSION OF DATA**

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



Exhibit K

DHHS Information Security Requirements

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

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

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

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

A. Retention

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



Exhibit K

DHHS Information Security Requirements

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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).



Exhibit K

DHHS Information Security Requirements

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



Exhibit K

DHHS Information Security Requirements

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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.



Exhibit K

DHHS Information Security Requirements

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

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

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

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

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



Exhibit K

DHHS Information Security Requirements

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

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

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov



**State of New Hampshire**  
**Department of State**

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that BEHAVIORAL HEALTH & DEVELOPMENTAL SERVICES OF STRAFFORD COUNTY, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on September 24, 1982. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 62273

Certificate Number : 0004074066



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 2nd day of April A.D. 2018.

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

William M. Gardner  
Secretary of State

# State of New Hampshire

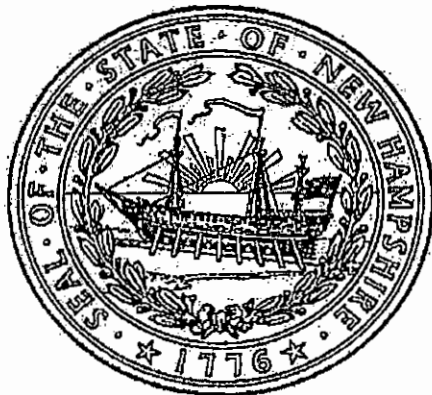
## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that COMMUNITY PARTNERS OF STRAFFORD COUNTY is a New Hampshire Trade Name registered to transact business in New Hampshire on October 27, 2003. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 455172

Certificate Number : 0004074061



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 2nd day of April A.D. 2018.

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

I, Ann Landry, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Behavioral Health & Development Services of Strafford County, Inc. d/b/a  
Community Partners  
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of  
the Agency duly held on May 22, 2018:  
(Date)

**RESOLVED:** That the President Kathleen Boisclair  
(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 22nd day of May 2018.  
(Date Contract Signed)

4. Kathleen Boisclair is the duly elected President \_\_\_\_\_  
(Name of Contract Signatory) (Title of Contract Signatory)  
of the Agency.

Ann Landry  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Strafford

The forgoing instrument was acknowledged before me this 22 day of May, 2018.

By Ann Landry  
(Name of Elected Officer of the Agency)

Pamela B. Thyrng  
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

**PAMELA BECKER THYNG, Notary Public**  
State of New Hampshire  
Commission Expires: My Commission Expires April 18, 2022



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/27/2017

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 FIAI/Cross Insurance 1100 Elm Street Manchester NH 03101	CONTACT NAME: Renee Skillings
	PHONE (A/C, No, Ext): (603) 669-3218 FAX (A/C, No): (603) 645-4331 E-MAIL ADDRESS: rskillings@crossagency.com
INSURER(S) AFFORDING COVERAGE	
INSURER A: Philadelphia Indemnity Ins Co	NAIC # 18058
INSURER B: AIG Property Casualty Company	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES CERTIFICATE NUMBER: 17/18 All Lines 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 SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO JECT <input type="checkbox"/> LOC OTHER:		PHPK1731094	11/1/2017	11/1/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COM/OP AGG \$ 3,000,000 Employee Benefits \$ 1,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		PHPK1731111	11/1/2017	11/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Medical payments \$ 5,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> RETENTIONS 10,000 <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE		PHUB605327	11/1/2017	11/1/2018	EACH OCCURRENCE \$ 3,000,000 AGGREGATE \$ 3,000,000
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 N/A	WC012883756 Statas (3a.) NH All Officers Included	11/16/2017	11/1/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A	Professional Liability		PHPK1731094	11/1/2017	11/1/2018	Limit \$1,000,000
A	Directors & Officers		PHSD1290178	11/1/2017	11/1/2018	Limit \$5,000,000 Ded: \$35,000

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

<b>CERTIFICATE HOLDER</b>  State of NH Dept of Health & Human Services 129 Pleasant Street Concord, NH 03301	<b>CANCELLATION</b>  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  Michael Guarino/DL3 



113 Crosby Road  
Suite 1  
Dover, NH 03820  
(603) 516-9300  
Fax: (603) 743-3244

50 Chestnut Street  
Dover, NH 03820  
(603) 516-9300  
Fax: (603) 743-1850

25 Old Dover Road  
Rochester, NH 03867  
(603) 516-9300  
Fax: (603) 335-9278

A United Way  
Partner Agency



**Mission:** Community Partners connects our clients and their families to the opportunities and possibilities for full participation in their communities.

**Vision:** We serve those who experience emotional distress, mental illnesses, substance use disorders, developmental disabilities, chronic health needs, acquired brain disorder, as well as those who are in need of information and referral to access long-term supports and services.

We strive to be an organization that consistently delivers outstanding services and supports that are person-focused and dedicated to full participation in communities.

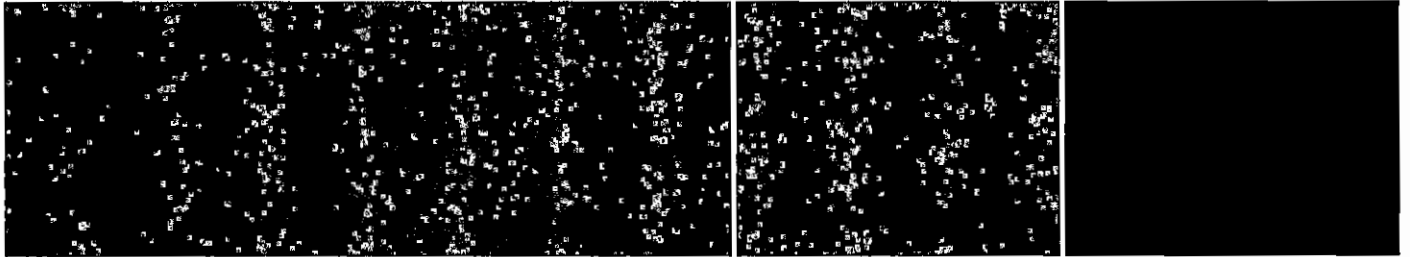
We will take leadership roles in educating our community network, families, and the public to reduce stigma and to increase self-determination and personal empowerment.

We are committed to evidence-based and outcome-driven practices.

We will invest in our staff to further professional development and foster an environment of innovation.

**Community Partners**

Behavioral Health & Developmental Services of Strafford County, Inc.



**CONSOLIDATED FINANCIAL STATEMENTS**

and

**SUPPLEMENTARY INFORMATION**

**June 30, 2017 and 2016**

**With Independent Auditor's Report**





## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Behavioral Health & Developmental Services of Strafford County, Inc.  
d/b/a Community Partners and Subsidiaries

We have audited the accompanying consolidated financial statements of Behavioral Health & Developmental Services of Strafford County, Inc. d/b/a Community Partners and Subsidiaries (the Organization), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities, functional revenue and expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit 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 auditor's 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 consolidated financial position of the Organization, as of June 30, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

***Other Matter***

***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities are presented for purposes of additional analysis, rather than to present the financial position and changes in net assets of the individual entities, and are 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 audits 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 U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Berry Dunn McNeil & Parker, LLC*

Manchester, New Hampshire  
October 24, 2017



BEHAVIORAL HEALTH & DEVELOPMENTAL SERVICES OF STRAFFORD COUNTY, INC. D/B/A  
COMMUNITY PARTNERS AND SUBSIDIARIES

Consolidated Statements of Financial Position

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,476,548	\$ 1,880,722
Restricted cash	99,423	102,657
Accounts receivable, net of allowance for doubtful accounts	1,025,322	1,529,747
Grants receivable	50,341	250,836
Prepaid expenses	360,389	192,015
Property and equipment, net	<u>2,147,443</u>	<u>2,017,475</u>
Total assets	<u>\$ 7,159,466</u>	<u>\$ 5,973,452</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 1,963,800	\$ 2,032,650
Estimated third-party liability	1,311,720	381,472
Loan fund	89,294	89,204
Notes payable	<u>1,083,830</u>	<u>1,129,241</u>
Total liabilities	<u>4,448,644</u>	<u>3,632,567</u>
Net assets		
Unrestricted	2,593,985	2,340,559
Temporarily restricted	<u>116,837</u>	<u>326</u>
Total net assets	<u>2,710,822</u>	<u>2,340,885</u>
Total liabilities and net assets	<u>\$ 7,159,466</u>	<u>\$ 5,973,452</u>

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

**BEHAVIORAL HEALTH & DEVELOPMENTAL SERVICES OF STRAFFORD COUNTY, INC. D/B/A  
COMMUNITY PARTNERS AND SUBSIDIARIES**

**Consolidated Statements of Activities**

**Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Changes in unrestricted net assets		
Public support and revenue		
Medicaid revenue	\$ 23,324,616	\$ 23,221,683
Medicare revenue	184,278	233,703
Client resources	1,613,918	1,512,323
Contract revenue	1,461,970	1,317,071
Grant income	613,657	729,354
Interest income	46	414
Other program revenue	328,173	145,867
Public support	71,576	115,856
Other revenue	<u>173,780</u>	<u>208,987</u>
Total public support and revenue	27,772,014	27,485,258
Net assets released from restrictions	<u>47,114</u>	<u>26,935</u>
Total public support, revenue, and releases	<u>27,819,128</u>	<u>27,512,193</u>
Expenses		
Program services		
Case management	854,809	872,909
Day programs and community support	3,984,617	4,173,872
Early support services and youth and family	3,290,272	3,212,331
Family support	562,283	575,952
Residential services	4,873,525	5,213,432
Combined residential, day and consolidated services	7,100,007	6,451,472
Adult services	2,241,375	2,705,789
Emergency services	399,991	467,770
Other	<u>1,195,379</u>	<u>940,101</u>
Total program expenses	24,502,258	24,613,628
Supporting services		
General management	<u>3,063,444</u>	<u>2,661,643</u>
Total expenses	<u>27,565,702</u>	<u>27,275,271</u>
Change in unrestricted net assets	<u>253,426</u>	<u>236,922</u>
Changes in temporarily restricted net assets		
United Way allocation	17,251	9,371
Grant income - New Hampshire Department of Transportation	146,374	-
Net assets released from restrictions	<u>(47,114)</u>	<u>(26,935)</u>
Change in temporarily restricted net assets	<u>116,511</u>	<u>(17,564)</u>
Change in net assets	369,937	219,358
Net assets, beginning of year	<u>2,340,885</u>	<u>2,121,527</u>
Net assets, end of year	\$ <u>2,710,822</u>	\$ <u>2,340,885</u>

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

**BEHAVIORAL HEALTH & DEVELOPMENTAL SERVICES OF STRAFFORD COUNTY, INC. DBA COMMUNITY PARTNERS AND SUBSIDIARIES**  
 Consolidated Statement of Functional Revenue and Expenses  
 Year Ended June 30, 2017

	Case Management	Day Programs and Support	Early Support Youth and Family	Family Support	Residential Services	Combined Residential, Day and Services	Adult Enrichment	Emergency Services	Crisis	Total Program	General Management	Total
<b>Public support and revenue</b>												
Medicaid revenue	\$ 842,848	\$ 3,718,182	\$ 3,328,098	\$ 384,257	\$ 9,385,280	\$ 7,151,846	\$ 2,850,453	\$ 71,280	\$ 35,422	\$ 23,317,818	\$ -	\$ 23,317,818
Medicaid revenue	14,203	14,203	382,284	-	681,523	346,232	182,209	28,225	-	1,642,718	627,660	18,427,818
Charter revenue	30,095	64,781	373,277	79,878	19,878	33,172	12,440	143,881	-	1,160,026	31,982	1,481,918
Contract revenue	80,212	284,843	379,203	20,971	4,288	4,232	80,282	-	39,779	802,296	10,811	813,107
Interest income	-	78,207	-	-	-	-	-	-	242,846	222,172	8,000	304,172
Other program revenue	-	6,766	2,423	11,815	23,729	1,841	500	-	28,194	63,087	7,288	71,375
Public support	18,958	4,208	\$ -	-	-	-	12,842	-	118,301	19,526	12,844	132,370
Charter revenue	431	-	-	-	-	-	-	35	-	-	-	-
<b>Total public support, revenue and releases</b>	<b>979,205</b>	<b>4,208,839</b>	<b>4,042,100</b>	<b>398,918</b>	<b>9,974,844</b>	<b>7,838,892</b>	<b>2,954,672</b>	<b>242,701</b>	<b>840,883</b>	<b>27,488,246</b>	<b>205,796</b>	<b>27,722,014</b>
Net assets released from restrictions	4,112	-	13,884	-	-	-	-	-	39,682	47,114	-	47,114
<b>Total public support, revenue and releases</b>	<b>882,292</b>	<b>4,208,832</b>	<b>4,055,984</b>	<b>398,918</b>	<b>9,974,844</b>	<b>7,838,892</b>	<b>2,954,672</b>	<b>242,701</b>	<b>880,565</b>	<b>27,512,262</b>	<b>205,796</b>	<b>27,818,518</b>
<b>Expenses</b>												
Salaries and wages	627,218	2,604,072	2,083,400	137,835	882,078	1,709,816	1,682,721	251,980	642,244	9,447,812	1,620,981	11,268,572
Employee benefits	122,416	500,247	479,346	34,054	141,290	154,172	200,707	64,509	211,085	1,608,611	429,150	2,028,571
Professional fees	38,974	183,241	165,111	10,281	44,854	129,201	8,178	18,809	83,848	700,035	132,623	832,657
Charter school services	-	7,822	4,892	262,431	-	1,744,791	1,178	-	21,101	4,282,282	1,740	4,284,022
Charter school supplies	-	627	85,892	1,244	13,294	21,582	72,028	-	1,510	102,803	1,740	104,543
Charter program support	23,873	96,243	85,473	9,377	21,242	32,286	47,883	-	21,528	201,461	1,740	203,201
Professional fees and consultants	48,178	90,071	85,473	9,377	1,016,729	2,831,687	-	31,476	1,528	4,247,739	77,831	4,325,570
Real development and training	2,844	92,078	17,272	2,017	1,016,729	4,908	-	-	8,127	4,247,739	31,822	4,279,561
Education	-	57,226	49,879	1,827	2,721	4,908	12,171	1,213	6,127	117,777	78,251	196,028
Building maintenance and repairs	-	49,746	18,477	1,687	4,186	17,719	31,206	8,286	30,824	138,255	58,281	196,536
Other occupancy costs	3,844	41,473	37,848	5,467	6,818	87,420	49,377	445	18,946	271,621	42,817	314,438
Building and facility	7,951	41,060	48,841	2,224	8,104	8,177	26,150	7,125	12,848	102,290	62,138	164,428
Building and facility	1,911	11,042	13,446	777	1,178	8,178	8,142	7,125	12,848	40,290	62,138	82,978
Charter consumables	382	28,833	2,293	6,692	4,204	79,282	6,037	182	1,311	136,097	14,624	150,721
Medical	-	207	491	-	23	-	788	66	323	1,311	114	2,296
Equipment maintenance	3,348	32,043	39,678	2,045	4,818	7,747	18,113	2,281	10,073	118,487	20,243	138,730
Printing	21,820	124,651	82,820	8,876	20,518	34,814	37,077	8,188	24,441	262,279	82,542	444,821
Advertising	4,854	871	4,854	71	381	252	338	79	358	4,924	3,259	8,183
Telephone and utility	208	74,445	34,918	2,818	3,142	7,541	24,748	2,845	18,514	179,046	31,422	210,468
Telephone and utility	12,083	24,445	4,846	216	14,413	132,644	3,207	640	2,874	179,046	1,422	181,468
Postage and shipping	736	4,937	4,936	216	4,936	1,019	3,800	440	2,874	447,293	6,154	453,447
Postage and shipping	11,322	198,242	37,250	80,878	14,413	132,644	22,127	2,802	10,891	447,293	21,085	468,378
Amortization on buildings	13,446	37,250	37,250	80,878	14,413	132,644	22,127	2,802	10,891	447,293	21,085	468,378
Amortization on buildings	8,281	36,182	36,182	3,487	8,143	11,850	22,280	3,044	12,348	131,517	31,501	163,018
Insurance	132	1,488	1,228	40	388	145	3,482	154	177	2,239	89,152	91,391
Insurance	636	15,828	4,726	813	2,798	8,276	4,286	515	4,233	49,843	4,864	54,707
Interest	23	181	181	0	28	31	82	18	75,871	28,120	680	76,511
<b>Total expenses</b>	<b>\$ 64,809</b>	<b>\$ 3,847,812</b>	<b>\$ 3,280,272</b>	<b>\$ 582,282</b>	<b>\$ 4,223,258</b>	<b>\$ 7,100,007</b>	<b>\$ 2,426,225</b>	<b>\$ 393,901</b>	<b>\$ 624,820</b>	<b>\$ 24,802,256</b>	<b>\$ 3,083,444</b>	<b>\$ 27,885,702</b>
Reserve (increased) in unrestricted net assets	\$ 107,240	\$ 229,222	\$ 784,838	\$ (493,207)	\$ 1,201,520	\$ 428,858	\$ 717,297	\$ (192,260)	\$ 624,820	\$ 3,011,104	\$ 2,797,870	\$ 239,274

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

BEHAVIORAL HEALTH & DEVELOPMENTAL SERVICES OF STAFFORD COUNTY, INC. DBIA COMMUNITY PARTNERS AND SUBSIDIARIES

Consolidated Statement of Functional Revenue and Expenses

Year Ended June 30, 2016

	Case Management	Day Programs and Community Support	Early Support Services and Youth and Family	Family Support	Residential Services	Community Residential and Consolidated Services	Adult Services	Emergency Services	Other	Total Program	General Management	Total
<b>Public support and revenue</b>												
Medicaid revenue	\$ 803,657	\$ 3,770,000	\$ 3,663,028	\$ 218,963	\$ 5,216,978	\$ 6,983,290	\$ 2,394,701	\$ 80,028	\$ 40,443	\$ 23,221,683	\$ -	\$ 23,221,683
Medicaid revenue	-	43,383	(1,120)	-	604,812	308,842	209,658	(16,820)	-	233,703	-	233,703
Medicaid revenue	26,518	29,339	318,530	(820)	-	134,055	134,055	28,843	-	1,512,223	300	1,512,223
Contract revenue	43,027	203,723	303,776	39,265	-	30,025	80,310	103,596	182,070	1,023,190	253,683	1,317,071
Other revenue	-	20,288	18,548	4,682	-	15,595	61,148	-	507,212	174,354	5,000	726,354
Other revenue	-	-	988	-	8,778	44,738	-	-	303	127,247	18,348	146,887
Other revenue	13,190	9,322	10,105	-	11,977	5,633	20,283	-	37,682	115,855	4,203	115,855
Other revenue	899	21,736	2,225	95	-	-	-	31	127,143	189,414	19,573	206,887
<b>Total functional public support and revenue</b>	<b>\$ 824,656</b>	<b>\$ 4,257,129</b>	<b>\$ 4,410,188</b>	<b>\$ 302,441</b>	<b>\$ 5,903,841</b>	<b>\$ 7,392,483</b>	<b>\$ 2,864,717</b>	<b>\$ 197,283</b>	<b>\$ 879,119</b>	<b>\$ 27,193,449</b>	<b>\$ 331,813</b>	<b>\$ 27,493,238</b>
Net assets released from restrictions	4,800	-	4,971	-	-	-	-	-	17,644	28,803	-	28,803
<b>Total public support, revenue and releases</b>	<b>\$ 829,456</b>	<b>\$ 4,257,129</b>	<b>\$ 4,415,159</b>	<b>\$ 302,441</b>	<b>\$ 5,903,841</b>	<b>\$ 7,392,483</b>	<b>\$ 2,864,717</b>	<b>\$ 197,283</b>	<b>\$ 896,763</b>	<b>\$ 27,193,449</b>	<b>\$ 331,813</b>	<b>\$ 27,512,113</b>
<b>Expenses</b>												
Salaries and wages	\$ 538,414	\$ 2,224,852	\$ 2,196,313	\$ 141,821	\$ 647,498	\$ 1,690,037	\$ 1,579,873	\$ 328,478	\$ 473,703	\$ 9,795,448	\$ 1,702,709	\$ 11,498,147
Employee benefits	120,623	541,750	431,718	47,246	165,840	393,108	546,229	82,288	166,150	2,426,882	264,685	2,691,567
Physical taxes	38,187	193,289	192,280	10,208	48,012	123,820	109,214	23,277	48,088	726,050	87,271	813,321
Contracted education staff	88	2,300	6,250	332	2,172	2,217	6,732	1,120	96,271	28,529	68,822	96,161
Contract technical services	-	9,884	824	217,924	3,193,469	1,308,659	8,278	-	18,629	4,784,527	500	4,785,027
Contract therapy	-	4,885	8,762	21,695	23,671	41,822	54,212	-	54,212	228,113	1,900	229,013
Professional fees and consultants	24,847	44,685	41,262	10,249	2,179	11,922	8,272	8,878	8,878	28,811	1,800	30,611
Subcontract	480,118	46,118	13,222	2,283	1,043,811	2,492,652	1,851	-	8,893	108,340	108,340	108,340
Rent	1,309	3,418	13,222	-	971	8,088	11,529	581	1,075	44,494	33,977	78,471
Utilities	2,704	64,405	44,107	-	2,450	2,450	68,697	-	18,840	200,068	37,181	237,250
Building maintenance and repairs	1,084	22,333	12,474	2,704	10,420	20,256	10,611	940	17,106	152,388	12,753	165,141
Office occupancy costs	1,721	27,258	11,981	13,966	15,449	27,208	10,728	540	106,851	84,188	12,244	196,440
Building and housing	642	15,403	5,315	228	3,851	28,302	19,651	67	19,623	172,809	6,787	179,596
Client consumables	1,972	24,613	8,210	6,282	10,315	7,214	8,987	507	1,212	38,821	51,085	90,906
Method	4,411	283	274	-	2,742	80	330	64	4	108,376	3,046	111,422
Equipment maintenance	22,970	23,010	22,797	2,823	8,726	18,873	28,255	4,485	5,110	151,439	483	151,922
Depreciation	22,843	81,578	92,087	7,846	20,042	50,085	50,139	7,000	3,044	308,028	302,245	610,273
Printing	-	-	-	1	-	-	-	-	-	-	-	-
Telephone/communications	1,878	32,859	24,638	401	14,823	23,314	24,882	1,531	30,873	198,407	28,118	226,525
Postage and shipping	423	3,380	4,328	266	875	1,172	5,665	620	1,732	18,661	3,789	22,450
Transportation	26,149	243,310	42,171	2,790	18,793	139,879	64,813	1,120	7,188	527,232	12,280	539,512
Assistance to individuals	9,917	37,847	600	107,013	14,847	29,821	518,058	-	25,844	220,944	671	221,615
Insurance	11,944	24,924	55,031	3,924	14,847	29,821	2,208	7,089	21,800	249,196	34,781	283,977
Indemnity fees	248	946	2,858	63	284	582	2,208	294	67	7,839	64,267	72,106
Other	2,891	4,371	5,314	2,884	2,173	4,089	4,089	623	10,821	37,648	1,592	39,240
Other	41	297	284	-	83	83	191	31	27,497	48,258	1,592	49,850
<b>Total expenses</b>	<b>\$ 872,809</b>	<b>\$ 4,173,272</b>	<b>\$ 3,212,231</b>	<b>\$ 575,852</b>	<b>\$ 5,213,427</b>	<b>\$ 6,451,427</b>	<b>\$ 2,795,789</b>	<b>\$ 487,770</b>	<b>\$ 840,101</b>	<b>\$ 24,613,628</b>	<b>\$ 2,681,843</b>	<b>\$ 27,295,471</b>
Income (Decrease) from restricted net assets	\$ 68,347	\$ 88,237	\$ 1,382,428	\$ 473,511	\$ 680,889	\$ 640,881	\$ 174,828	\$ 470,407	\$ 147,280	\$ 2,680,753	\$ 12,108,809	\$ 14,789,562

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

**BEHAVIORAL HEALTH & DEVELOPMENTAL SERVICES OF STRAFFORD COUNTY, INC. D/B/A  
COMMUNITY PARTNERS AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets	\$ 369,937	\$ 219,358
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	442,753	382,345
Change in allowance for doubtful accounts	(180,000)	86,100
Grant revenue for capital purchases	(146,374)	-
(Increase) decrease in		
Restricted cash	3,234	17,983
Accounts receivable, trade	684,425	445,504
Grants receivable	200,495	(150,921)
Prepaid expenses	(168,374)	(49,752)
Increase (decrease) in		
Accounts payable and accrued expenses	(35,598)	9,977
Estimated third-party liability	930,248	131,955
Loan fund	<u>90</u>	<u>89</u>
Net cash provided by operating activities	<u>2,100,836</u>	<u>1,092,638</u>
Cash flows from investing activities		
Acquisition of equipment	<u>(459,597)</u>	<u>(111,427)</u>
Cash flows from financing activities		
Proceeds from long-term borrowings	321,350	-
Principal payments on long-term borrowings	<u>(366,763)</u>	<u>(187,370)</u>
Net cash used by financing activities	<u>(45,413)</u>	<u>(187,370)</u>
Net increase in cash and cash equivalents	1,595,826	793,841
Cash and cash equivalents, beginning of year	<u>1,880,722</u>	<u>1,086,881</u>
Cash and cash equivalents, end of year	<u>\$ 3,476,548</u>	<u>\$ 1,880,722</u>
Supplemental disclosures		
Acquisition of property and equipment with long-term borrowings	\$ <u>          -</u>	\$ <u>76,120</u>
Acquisition of property and equipment with accounts payable	\$ <u>          -</u>	\$ <u>33,252</u>
Noncash transaction - Refinancing of long-term debt	\$ <u>          -</u>	\$ <u>355,000</u>

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

**BEHAVIORAL HEALTH & DEVELOPMENTAL SERVICES OF STRAFFORD COUNTY, INC. D/B/A  
COMMUNITY PARTNERS AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**June 30, 2017 and 2016**

**Nature of Activities**

Behavioral Health & Developmental Services of Strafford County, Inc. d/b/a Community Partners (Community Partners) is a New Hampshire nonprofit corporation providing a wide range of community-based services (see consolidated statement of functional revenue and expenses for programs offered) for individuals, and their families, with developmental disabilities and/or mental illness. Community Partners also supports families with children who have chronic health needs. Community Partners is currently operating as two divisions: Developmental Services and Behavioral Health Services.

Community Partners is the sole shareholder of Lighthouse Management Services, Inc., which was organized to perform accounting and management functions for other not-for-profit entities.

Community Partners is the sole beneficiary of the Community Partners Foundation (the Foundation), which was established exclusively for the benefit and support of Community Partners. To that end, the Foundation receives and accepts gifts and funds.

The Foundation received and disbursed the following funds:

	<u>2017</u>	<u>2016</u>
Funds received	\$ 25,074	\$ 36,782
Funds disbursed	<u>23,131</u>	<u>31,916</u>
	<u>\$ 1,943</u>	<u>\$ 4,866</u>

The Foundation has received and disbursed the following funds since its inception in 2007:

Funds received	\$ 340,624
Funds disbursed	<u>257,624</u>
	<u>\$ 83,000</u>

**1. Summary of Significant Accounting Policies**

**Principles of Consolidation**

The consolidated financial statements include the accounts of Community Partners, Lighthouse Management Services, Inc., and the Foundation (collectively, the Organization). All material intercompany balances and transactions have been eliminated in consolidation.

The Organization prepares its consolidated financial statements in accordance with U.S. generally accepted accounting principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

**BEHAVIORAL HEALTH & DEVELOPMENTAL SERVICES OF STRAFFORD COUNTY, INC. D/B/A  
COMMUNITY PARTNERS AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**June 30, 2017 and 2016**

**Use of Estimates**

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

**Basis of Presentation**

Net assets and revenues, expenses, gains, and losses are classified as follows based on the existence or absence of donor-imposed restrictions:

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

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may be or will be met by actions of the Organization and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. As of June 30, 2017 and 2016, the Organization had no permanently restricted net assets.

**Contributions**

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for a specific purpose are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization records donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support in the year of the gift.

**Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code to operate as a not-for-profit organization.

FASB ASC Topic 740, *Income Taxes*, establishes financial accounting and disclosure requirements for recognition and measurement of tax positions taken or expected to be taken. Management has reviewed the tax provisions for the Organization under FASB ASC Topic 740 and determined it did not have a material impact on the Organization's consolidated financial statements.

**BEHAVIORAL HEALTH & DEVELOPMENTAL SERVICES OF STRAFFORD COUNTY, INC. D/B/A  
COMMUNITY PARTNERS AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**June 30, 2017 and 2016**

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with an original maturity date of less than three months to be cash equivalents. The cash equivalents represent repurchase agreements as of June 30, 2017 and 2016.

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

**Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Management provides for probable uncollectible accounts after considering each category of receivable individually, and estimates an allowance according to the nature of the receivable. Allowances are estimated from historical performance and projected trends. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. As of June 30, 2017 and 2016, allowances were recorded in the amount of \$371,100 and \$551,100, respectively.

**Property and Equipment**

Property and equipment are recorded at cost, while donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Expenditures for repairs and maintenance are charged against operations. Renewals and betterments which materially extend the life of the assets are capitalized. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is provided on the straight-line method in amounts designed to amortize the costs of the assets over their estimated lives as follows:

Buildings and improvements	15-39 years
Equipment and furniture	3-7 years
Vehicles	5 years

During 2017, the Organization updated its fixed asset capitalization policy from \$500 to \$2,000.

**Estimated Third-Party Liability**

The Organization's estimated third-party liability consist of funds received in advance for services to be performed at a later date, amounts due to Medicaid and estimated amounts due to Medicaid from eligibility, certification and other audits, and certain pass-through funds.



BEHAVIORAL HEALTH & DEVELOPMENTAL SERVICES OF STRAFFORD COUNTY, INC. D/B/A  
COMMUNITY PARTNERS AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2017 and 2016

**Functional Allocation of Expenses**

The costs of providing various programs and activities are summarized on a functional basis in the consolidated statements of activities and functional revenue and expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**2. Restricted Cash**

The Organization serves as a pass-through entity for the Council for Children and Adolescents with Chronic Health Conditions Loan Guaranty Program. This program is operated and administered by a New Hampshire bank. As of June 30, 2017 and 2016, the Organization held cash totaling \$89,294 and \$89,204, respectively, which was restricted for this program. A corresponding amount has been recorded as a liability.

Additionally, the Organization administers the Council for Children and Adolescents with Chronic Health Conditions Program. As of June 30, 2017 and 2016, the Organization held cash totaling \$10,129 and \$13,453, respectively, which was restricted for this program. A corresponding amount has been recorded as a liability.

**3. Property and Equipment**

Property and equipment consisted of the following:

	<u>2017</u>	<u>2016</u>
Land and buildings	\$ 1,859,893	\$ 1,859,893
Building improvements	1,713,390	1,569,604
Vehicles	912,549	718,116
Equipment and furniture	<u>3,051,825</u>	<u>2,929,831</u>
	<u>7,537,657</u>	<u>7,077,444</u>
Less accumulated depreciation	<u>5,390,214</u>	<u>5,059,969</u>
	<u>\$ 2,147,443</u>	<u>\$ 2,017,475</u>

**4. Line of Credit**

The Organization has a revolving line of credit agreement with a bank amounting to \$1,500,000, collateralized by a security interest in all business assets. Monthly interest payments on the unpaid principal balance are required at the rate of 1% over the bank's stated index, which was 5.25% and 4.50% at June 30, 2017 and 2016, respectively. The Organization is required to annually observe 30 consecutive days without an outstanding balance. At June 30, 2017 and 2016, there was no outstanding balance on the line of credit.

**BEHAVIORAL HEALTH & DEVELOPMENTAL SERVICES OF STRAFFORD COUNTY, INC. D/B/A  
COMMUNITY PARTNERS AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**June 30, 2017 and 2016**

**5. Notes Payable**

Notes payable consisted of the following:

	<u>2017</u>	<u>2016</u>
Note payable to a bank, payable in monthly installments of \$4,029, including interest at 3.92%, through July 2022; collateralized by certain real estate. The note is a participating loan with the New Hampshire Health and Education Facilities Authority (NHHEFA).	<b>222,513</b>	238,038
Note payable to a bank, payable in monthly installments of \$3,167, including interest at 3.24%, through April 2019; collateralized by certain equipment. Note payable was paid in full during 2017.	-	102,707
Note payable to a bank, payable in monthly installments of \$9,985, including interest at 3.37%, through September 2019 with one final payment which shall be the unpaid balance at maturity; collateralized by certain equipment.	<b>259,252</b>	368,150
Note payable to NHHEFA, payable in monthly installments of \$3,419, including interest at 1.00%, through April 2021 with one final payment of all unpaid principal and interest due at maturity; collateralized by certain real estate.	<b>154,285</b>	193,554
Mortgage note payable to a bank, payable in monthly installments of \$1,580, including interest at 4.12%, through April 2026 with one final payment which shall be the unpaid balance at maturity; collateralized by certain real estate.	<b>140,053</b>	152,896
Four loans payable to a bank, payable in monthly installments totaling \$1,436, including interest at 4.89%, through April 2021 with one final payment which shall be the unpaid balance at maturity; collateralized by vehicles. The four loans payable were paid in full during 2017.	-	73,896
Note payable to a bank, payable in monthly interest only installments through January 2018 at which time monthly principal and interest payments totaling \$2,413 will be due through February 2023; the note bears interest at 4.50%; collateralized by all assets.	<b>131,350</b>	-
Note payable to a bank, payable in monthly installments totaling \$1,882, including interest at 3.49%, through August 2026; collateralized by all the rights and benefits under the leases attached to the related real estate.	<u>176,377</u>	<u>-</u>
	<u><b>\$ 1,083,830</b></u>	<u><b>\$ 1,129,241</b></u>

BEHAVIORAL HEALTH & DEVELOPMENTAL SERVICES OF STRAFFORD COUNTY, INC. D/B/A  
COMMUNITY PARTNERS AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2017 and 2016

The scheduled maturities of long-term debt are as follows:

2018	\$ 232,815
2019	253,825
2020	171,457
2021	139,355
2022	109,582
Thereafter	<u>176,796</u>
	<u>\$ 1,083,830</u>

Cash paid for interest approximates interest expense.

6. Temporarily Restricted Net Assets

At June 30, 2017 and 2016, temporarily restricted net assets were \$116,837 and \$326, respectively. The Organization's restricted assets consist of vehicles and equipment contributed to the Organization from the State of New Hampshire under grant programs. The contributed vehicles are to be used for the transportation of the Organization's clients.

7. Commitments and Contingencies

Operating Leases

The Organization leases various office facilities and equipment under operating lease agreements. Expiration dates range from March 2018 through June 2022. Total rent expense charged to operations was \$266,914 in 2017 and \$237,250 in 2016.

Future minimum operating lease payments are as follows:

2018	\$ 266,632
2019	105,094
2020	107,316
2021	89,658
2022	<u>72,000</u>
	<u>\$ 640,700</u>

BEHAVIORAL HEALTH & DEVELOPMENTAL SERVICES OF STRAFFORD COUNTY, INC. D/B/A  
COMMUNITY PARTNERS AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2017 and 2016

**Self-Insurance**

In 2015, the Organization had a self-insured healthcare plan for substantially all of its employees. The Organization obtained reinsurance coverage to limit its exposure associated with this plan individually of \$30,000 with an aggregate limit of 125% of the expected claims. During 2016, the Organization terminated its self-insured healthcare plan and reverted back to a fully-funded healthcare plan for its employees. As of June 30, 2016, the Organization maintained an accrual on claims under its self-insured healthcare plan of \$150,000 for claims incurred before the termination of the self-insured healthcare plan but not yet reported. As of June 30, 2017, there were no remaining claims under the policy; therefore, no such accrual has been recorded.

**Litigation**

The Organization is involved in litigation from time to time arising in the normal course of business. After consultation with legal counsel, management estimates these matters will be resolved without a material adverse effect on the Organization's future financial position or results of operations.

**8. Concentrations**

For the years ended June 30, 2017 and 2016, approximately 84% of the public support and revenue of the Organization was derived from Medicaid. The future existence of the Organization is dependent upon continued support from Medicaid.

The accounts receivable due from Medicaid were as follows:

	<u>2017</u>	<u>2016</u>
Developmental Services	\$ 834,364	\$ 1,097,832
Behavioral Health Services	<u>106,029</u>	<u>312,439</u>
	<u>\$ 940,393</u>	<u>\$ 1,410,271</u>

In order for the Developmental Services division of the Organization to receive this support, it must be formally approved by the State of New Hampshire, Department of Health and Human Services, Bureau of Developmental Services, as the provider of services for developmentally disabled individuals for Strafford County in New Hampshire. This designation is received by the Organization every five years. The current designation expired in September 2016. The Organization is currently in the process of extending its designation with the Bureau of Developmental Services.

**BEHAVIORAL HEALTH & DEVELOPMENTAL SERVICES OF STRAFFORD COUNTY, INC. D/B/A  
COMMUNITY PARTNERS AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**June 30, 2017 and 2016**

In order for the Behavioral Health Services division of the Organization to receive this support, it must be formally approved by the State of New Hampshire, Department of Health and Human Services, Bureau of Behavioral Health, as the community mental health provider for Strafford County in New Hampshire. This designation is received by the Organization every five years. The current designation expires in August 2021.

**9. Retirement Plan**

The Organization maintains a tax-sheltered annuity plan that is offered to all eligible employees. The plan includes a discretionary employer contribution equal to 3% of each eligible employee's salary. During 2017, the Organization made an additional, one-time, discretionary contribution equal to 1% of each eligible employee's salary. Total costs incurred for the plan during the year ended June 30, 2017 were \$223,108. There were no employer discretionary contributions for the year ending June 30, 2016. The total expense for the year ended June 30, 2017 for the Developmental Services division was \$124,981, and for the Behavioral Health Services division was \$98,127.

**10. Subsequent Events**

For purposes of the preparation of these consolidated financial statements in conformity with U.S. GAAP, management has considered transactions or events occurring through October 24, 2017, which is the date that the consolidated financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

BEHAVIORAL HEALTH & DEVELOPMENTAL SERVICES OF STRAFFORD COUNTY, INC. D/B/A COMMUNITY PARTNERS AND SUBSIDIARIES

Consolidating Statements of Financial Position

June 30, 2017 and 2016

	2017					2016						
	Developmental Services	Behavioral Health Services	Lighthouse Management Services	Community Partners Foundation	Eliminations	Consolidated Totals	Developmental Services	Behavioral Health Services	Lighthouse Management Services	Community Partners Foundation	Eliminations	Consolidated Totals
<b>ASSETS</b>												
Cash and cash equivalents	\$ 2,346,428	\$ 1,038,263	\$ 8,857	\$ 83,000	\$ -	\$ 3,476,548	\$ 1,121,076	\$ 869,291	\$ 9,298	\$ 81,057	\$ -	\$ 1,880,722
Restricted cash	89,423	-	-	-	-	89,423	102,657	-	-	-	-	102,657
Accounts receivable, net of allowance for doubtful accounts	692,881	1,189,948	81	-	(1,037,568)	1,025,322	1,152,577	1,358,577	59	-	(881,466)	1,528,747
Grants receivable	12,451	37,890	-	-	-	50,341	21,060	228,776	-	-	-	250,836
Prepaid expenses	188,622	173,867	-	-	-	360,389	62,729	99,288	-	-	-	162,015
Interest in net assets of subsidiaries	81,974	-	-	-	(81,974)	-	81,000	-	-	-	(81,000)	-
Property and equipment, net	1,782,348	385,095	-	-	-	2,167,443	1,278,374	441,101	-	-	-	2,017,475
<b>Total assets</b>	<b>\$ 5,382,027</b>	<b>\$ 2,825,061</b>	<b>\$ 8,818</b>	<b>\$ 83,000</b>	<b>\$ (1,119,540)</b>	<b>\$ 7,189,468</b>	<b>\$ 4,147,473</b>	<b>\$ 2,798,031</b>	<b>\$ 9,357</b>	<b>\$ 81,057</b>	<b>\$ (1,092,468)</b>	<b>\$ 5,873,452</b>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>												
<b>Liabilities</b>												
Accounts payable and accrued expenses	\$ 2,559,068	\$ 432,384	\$ 9,844	\$ -	\$ (1,037,568)	\$ 1,953,800	\$ 2,509,565	\$ 495,137	\$ 9,414	\$ -	\$ (881,466)	\$ 2,032,650
Refundable advances	1,083,873	227,847	-	-	-	1,311,720	250,274	131,198	-	-	-	381,472
Loan fund	89,294	-	-	-	-	89,294	89,204	-	-	-	-	89,204
Notes payable	929,944	124,238	-	-	-	1,054,182	936,288	192,854	-	-	-	1,129,142
<b>Total liabilities</b>	<b>4,661,779</b>	<b>814,469</b>	<b>9,844</b>	<b>-</b>	<b>(1,037,568)</b>	<b>4,448,644</b>	<b>3,785,329</b>	<b>819,289</b>	<b>9,414</b>	<b>-</b>	<b>(881,466)</b>	<b>3,637,597</b>
<b>Net assets (deficit)</b>												
Unrestricted	873,411	2,020,574	(1,028)	83,000	(81,974)	2,593,985	381,818	1,978,741	(57)	81,057	(81,000)	2,340,559
Temporarily restricted	116,837	-	-	-	-	116,837	328	-	-	-	-	328
<b>Total net assets (deficit)</b>	<b>990,248</b>	<b>2,020,574</b>	<b>(1,028)</b>	<b>83,000</b>	<b>(81,974)</b>	<b>2,710,822</b>	<b>382,146</b>	<b>1,978,741</b>	<b>(57)</b>	<b>81,057</b>	<b>(81,000)</b>	<b>2,340,887</b>
<b>Total liabilities and net assets (deficit)</b>	<b>\$ 5,352,027</b>	<b>\$ 2,835,081</b>	<b>\$ 8,818</b>	<b>\$ 83,000</b>	<b>\$ (1,119,540)</b>	<b>\$ 7,189,468</b>	<b>\$ 4,147,473</b>	<b>\$ 2,798,031</b>	<b>\$ 9,357</b>	<b>\$ 81,057</b>	<b>\$ (1,092,468)</b>	<b>\$ 5,873,452</b>

BEHAVIORAL HEALTH & DEVELOPMENTAL SERVICES OF STRAFFORD COUNTY, INC. DBIA COMMUNITY PARTNERS AND SUBSIDIARIES

Consolidating Statements of Activities

Years Ended June 30, 2017 and 2016

	2017						2016					
	Developmental Services	Behavioral Health Services	Lighthouse Management Services	Community Partners Foundation	Eliminations	Consolidated Totals	Developmental Services	Behavioral Health Services	Lighthouse Management Services	Community Partners Foundation	Eliminations	Consolidated Totals
<b>Changes in unrestricted net assets (deficit)</b>												
Public support and revenue												
Medicaid revenue	\$ 17,477,740	\$ 8,848,876	\$ -	\$ -	\$ -	\$ 23,326,616	\$ 16,951,030	\$ 8,270,853	\$ -	\$ -	\$ -	\$ 23,221,883
Medicare revenue	-	184,278	-	-	-	184,278	-	233,703	-	-	-	233,703
Client resources	1,223,062	390,858	-	-	-	1,613,919	1,125,328	386,995	-	-	-	1,512,323
Contract revenue	801,151	860,819	-	-	-	1,481,970	521,758	795,313	-	-	-	1,317,071
Grant income	221,885	391,772	-	-	-	613,657	144,394	584,960	-	-	-	729,354
Interest income	-	48	-	-	-	48	-	414	-	-	-	414
Other program income	328,173	-	-	-	-	328,173	145,867	-	-	-	-	145,867
Public support	40,255	6,247	-	26,074	-	71,576	74,877	4,197	-	36,762	-	115,856
Other revenue	138,713	39,010	100,302	-	(102,245)	175,780	164,810	49,044	112,131	-	(116,998)	208,987
Total public support and revenue	20,928,979	7,719,904	100,302	26,074	(102,245)	27,772,014	19,128,064	8,325,279	112,131	36,762	(116,998)	27,485,258
Net assets released from restrictions	41,338	6,788	-	-	-	47,114	25,632	2,003	-	-	-	28,935
Total public support, revenue and reclassifications	20,970,317	7,726,692	100,302	26,074	(102,245)	27,819,128	19,153,696	8,327,282	112,131	36,762	(116,998)	27,514,193
<b>Expenses</b>												
Program services												
Case management	854,808	-	-	-	-	854,809	872,909	-	-	-	-	872,909
Day programs and community support	3,267,428	697,189	-	-	-	3,964,617	3,478,273	695,599	-	-	-	4,173,872
Early support services and youth and family	916,875	2,374,397	-	-	-	3,290,272	801,919	2,310,415	-	-	-	3,212,334
Family support	582,283	-	-	-	-	582,283	575,952	-	-	-	-	575,952
Residential services	4,873,825	-	-	-	-	4,873,826	5,213,627	5	-	-	-	5,213,432
Combined residential, day and consolidated services	7,100,007	-	-	-	-	7,100,007	6,451,472	-	-	-	-	6,451,472
Adult services	192,802	2,048,773	-	-	-	2,241,575	176,214	2,529,575	-	-	-	2,705,789
Emergency services	-	399,991	-	-	-	399,991	-	467,770	-	-	-	467,770
Other	408,108	788,138	101,271	23,131	(101,271)	1,188,378	273,811	634,574	111,574	31,918	(111,574)	945,101
Total program expenses	16,192,639	6,286,669	101,271	23,131	(101,271)	24,502,258	17,943,774	6,637,938	111,574	31,918	(111,574)	24,813,628
Supporting services												
General management	1,558,104	1,397,240	-	-	-	3,055,344	1,211,832	1,449,711	-	-	-	2,681,543
Total expenses	18,850,743	7,683,909	101,271	23,131	(101,271)	27,555,703	19,155,706	8,087,649	111,574	31,918	(111,574)	27,275,271
Change in unrestricted net assets (deficit)	211,593	41,833	(99)	1,843	(974)	253,428	(2,710)	238,633	557	4,869	(8,424)	236,922
<b>Changes in temporarily restricted net assets</b>												
United Way allocation	11,493	5,788	-	-	-	17,281	7,368	2,003	-	-	-	9,371
Grant income	146,374	-	-	-	-	146,374	(24,932)	(2,003)	-	-	-	(26,935)
Net assets released from restrictions	(41,338)	(6,788)	-	-	-	(47,114)	(24,932)	(2,003)	-	-	-	(26,935)
Change in temporarily restricted net assets	116,511	-	-	-	-	116,511	(17,564)	-	-	-	-	(17,564)
Change in net assets (deficit)	328,104	41,833	(99)	1,843	(974)	389,937	(20,274)	239,633	557	4,869	(5,424)	219,358
Net assets (deficit), beginning of year	382,144	1,978,741	(87)	81,057	(81,000)	2,340,885	282,418	1,739,108	(814)	78,191	(75,578)	2,121,927
Net assets (deficit), end of year	\$ 890,248	\$ 2,020,574	\$ (1,010)	\$ 83,000	\$ (81,074)	\$ 2,710,822	\$ 262,144	\$ 1,978,741	\$ (57)	\$ 81,057	\$ (81,000)	\$ 2,340,885





## Community Partners BOARD OF DIRECTORS 2018-2019

**PRESIDENT**

Kathleen Boisclair (Joined 9/25/12)

**TREASURER**

Anthony Demers (Joined 01/20/15)

**VICE PRESIDENT**

Wayne Goss (Joined 1/28/14)

**SECRETARY**

Ann Landry (Joined 08/23/2005)

Ken Muske (Joined 03/05/02)	Kristine Baber (Joined 4/26/13)	John Guy (Joined 07/22/14)
John Lowy (C) (Joined 09/13/99)	Judge Daniel Cappiello (Joined 03/22/14)	Bryant Hardwick (Joined 2/22/11)
Christopher Roundy (Joined 6/26/07)	Kerri Larkin (C) Joined 11/23/10)	Tracy Hayes (Joined 12/15/15)
Sharon Reynolds (Joined 8/23/16)	Phillip Vancelette (Joined 5/31/17)	

**Past Board Members:**

Matthew Sylvia (former Treasurer) Joined 12/19/2006. Resigned June 30, 2016.

Rev. Sue Frost Joined 01/28/2014. Resigned as of July 7, 2016.

# Erin Farrell



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## Education and Professional Credentialing

Master of Arts, Counseling  
Bachelor of Science, Family Studies  
Bachelor of Arts, Psychology

University of New Hampshire, 2006  
University of New Hampshire, 2001  
University of New Hampshire, 2001

Licensed Clinical Professional Counselor  
ME License # CC4697, Issued April 2016  
\*Board approved supervisor for LCPC-c candidates

Licensed Clinical Mental Health Counselor  
NH License # 725, Issued October 2008  
\*Board approved supervisor for LCMHC candidates

## Technology Skills

Experience and proficiency with CDT and other electronic health records, Microsoft Office products including Word, Excel, PowerPoint, and Publisher, and most web-based technologies.

## Professional Experience

Regional Director, Southwestern Office  
Pathways of Maine

June 2016 to Present  
Springvale, ME

Responsibilities as a regional director include:

- Overseeing the fiscal, developmental, and clinical aspects of operations for the Southwestern office of Pathways.
  - Creating, monitoring, and shifting annual budgets as needed to meet the fiscal needs of the region.
  - Providing oversight and consultation to clinical and administrative supervisors and managers.
  - Assisting in the development and implementation of administrative changes throughout the region and district.
  - Developing and monitoring systems for accountability related to clinical compliance relative to MaineCare regulations for all clinical documentation within the region.
  - Updating and monitoring all quality improvement initiatives for the region, including all tasks related to HIPAA and confidentiality.
  - Collaborating weekly with the district leadership team to identify potential problems and develop and implement necessary administrative and fiscal changes within the district and region.
  - Providing clinical supervision and consultation to licensed and conditionally licensed professional counselors.
  - Developing relevant clinical trainings for regional direct care team members, including topics such as vicarious trauma and self-care, working with difficult clients, and crisis management and intervention.
  - Facilitating administrative and clinical meetings for leaders as well as direct care team members weekly.
  - Reviewing application, interviewing applicants, and completing hiring process for all new leadership and direct care providers within the region.
-

# Erin Farrell



Clinical Manager/Supervisor, Youth and Family Services  
Community Partners

March 2010 to August 2016  
Dover, NH

Responsibilities as a clinical manager/supervisor include:

- Conducting individual and group clinical/administrative supervision for license-eligible and non-license eligible staff members performing a variety of job functions within the community mental health center.
- Hiring, training and evaluating all staff on my treatment team.
- Developing, implementing, and evaluating training and clinical programs.
- Coaching clinical staff and case managers around productivity expectations and documentation in order to operate within the department budget and to improve profitability.
- Reviewing and approval of clinical documentation completed by staff members.
- Facilitating administrative staff meetings as well as interdisciplinary clinical meetings.
- Consulting regularly with medical providers, supervisors, and other clinician regarding client treatment and best practices.
- Meeting with and counseling clients and family members around treatment planning, provision of services, and resolution of problems or complaints.
- Providing in-service trainings around topics such as suicide assessment/prevention, self-care, ethics, compassion fatigue, and vicarious traumatization.
- Engaging in community outreach and education with organizations and agencies throughout the region.
- Completing quality insurance audits regularly for the treatment team to ensure consistent adherence to agency, state, and contract procedures and policies.
- Participating regularly in various committees to develop and implement programs and procedures to enhance clinical outcomes and improve staff productivity and morale.
- Contributing to the development and implementation of an updated electronic medical record and participation in the steering committee overseeing ongoing improvement of the system.

Independent Private Practice (Part-time)  
1 Middle St Suite 201

March 2014 to October 2016  
Portsmouth, NH

Responsibilities as a private practitioner include:

- Providing individual and family psychotherapy to a select group of adolescent and adult clients.
  - Collaborating with clients' medical and other providers to provide holistic care.
  - Finding and offering information regarding additional resources to clients.
  - Maintaining office space, malpractice insurance, CAQH profile, and all other business-related aspects of the practice independently.
  - Managing all billing, claims, and disputes with third-party payers, as well as all other business-related needs of the practice.
  - Utilizing electronic records and web-based technology to manage clinical and financial records.
-

# Erin Farrell



**Therapist, Adult and Youth and Family Services**  
Community Partners

May 2006 to March 2010  
Rochester, NH

Responsibilities as therapist included:

- Conducting individual, family, and group psychotherapy to a wide range of child, adolescent, and adult clients.
- Completing all documentation related to clinical care to meet state and federal standards.
- Participating in multidisciplinary treatment team consultations and meetings.
- Collaborating with clients and other treatment providers to create individual and family-centered treatment plans.
- Communicating frequently with numerous organizations and agencies including schools, primary care and other specialty physicians, hospitals, justice services, DCYF, BEAS, and other mental health professionals.
- Facilitating training for new staff and interns related to clinical practice and documentation.
- Finding and connecting clients to resources to assist with needs outside of mental health care.

**Counselor Intern, Adult and Youth and Family Services**  
Community Partners

January 2005 to May 2006  
Rochester, NH

The responsibilities of my counseling internships were similar, though less intensive, as my experience as a full-time therapist (see above).

**Case Manager/Functional Support Specialist**  
Community Partners

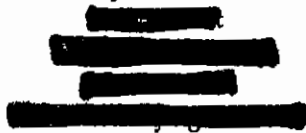
August 2002 to May 2006  
Dover, NH

- Directly providing support to clients in their homes and communities.
- Researching and providing linkage to additional resources needed by clients outside of the mental health center.
- Completing individual treatment plans and other clinical documentation.
- Collaborating with outside organizations and agencies including schools, primary care physicians, DCYF, DJJS, and DHHS.

## **Specialized Training**

- Dialectical Behavior Therapy (DBT)
- Illness Management and Recovery (IMR)
- Trauma-Focused Cognitive Behavioral Therapy (TF-CBT)
- Helping the Non-Compliant Child (HNC)
- Counseling on Access to Lethal Means (CALM)
- NAMI Connect Training (Suicide Assessment, Prevention, Aftercare)
- NH DBHRT trained

**Veronica Marie Ulery, MSW, LCSW-MA, CADC-ME**



**EDUCATION**

NH MLADC Licensure, May 2016

ME CADC Licensure, 2015

MA LCSW Licensure, 2010

Simmons College, Boston, MA  
*Masters of Social Work*, Spring 2008

Wheaton College, Norton, MA  
*Bachelor of Arts*, magna cum laude, Spring 2005

Major: Sociology

*Honors*: Completed Thesis on the Study of Whether the Homeless live in a Sub-Culture, Dean's List, Wheaton Trustee Scholar (4- Year Merit Award)

**SOCIAL WORK EXPERIENCE**

**Community Partners, Rochester NH November 2015 - Currently**

*Manager of the Assertive Community Treatment Team*

Oversees the provision of services to 70 clients deemed to need intensive services

Facilitate daily team meetings to ensure clients receive medically necessary services.

Provide individual and group supervision to team members utilizing the Assertive Community Treatment Model and strength's based group supervision; maintain training and supervision logs.

Monitor and track workflow and day-to-day work of Assertive Community Treatment team members

Monitor process to ensure fidelity of the Assertive Community Treatment Program

Review all mandatory paperwork quality and accuracy

Facilitates two monthly lunchtime sessions on issues of addiction to direct support workers

**Community Substance Abuse Center, Somersworth NH Winter 2014 - November 2015**

*Substance Abuse Counselor*

Conducts individual initial assessment and evaluation interviews for service eligibility determination, including urine specimen collection.

Facilitates, establishes and reviews with each patient the initial treatment plan w/in 30 days.

Completes Bio-psychosocial assessment w/in 30 days.

Conduct a monthly treatment plan review for patients accepted into the medically supervised withdrawal program.

Conduct a quarterly treatment plan review for patients accepted into the maintenance program.

Provide individual and group counseling services; direct service hours at regularly scheduled intervals; coordinate all services throughout treatment.

Involve families and significant others in patient's recovery process whenever possible.

Develops and participates in individual or group patient teaching projects.

Respond, as needed, to patient grievances and complaints.

Develop aftercare and discharge plans.

Completes all discharge paperwork and closes out active chart w/in established timeframe.

**Eliot Community Human Services, Boston MA Fall 2012 - Winter 2014**

*Program Manager of Aggressive Street Outreach, Safe Haven, and Bread and Jams*

Overseeing the running of three homeless services programs including a street outreach team, a 7 bed transitional womens shelter, and a daytime meals program

Manage a staff of 9 employees

Oversee monthly budgets of all 3 programs

Provide individual supervision to staff including issuing progressive discipline when needed

Participate in an array of meetings including acting as department liaison to local police and city government

Developing programs to be more client centered and encouraging use of evidence based practices (Trauma Informed Care, Motivational Interviewing, Harm Reduction)

**hopeFound, Boston, MA/ Pine Street Inn, Boston, MA (Merged company) Fall 2011 - Fall 2013**

*Team Coordinator and Street Outreach Counselor*

Engage clients living on the streets of Boston

Provide case management services to Street Outreach clients

Maintain up-to-date client records through electronic database

Participate in an array of meetings including acting as department liaison to local police and city government

Oversee petty cash and gift cards

Draft agendas and run weekly team meetings

Maintain and update numerous Excel databases that are shared with other agencies

Run monthly reports on outcome goals and current strategy assessments

**hopeFound, Boston, MA**

**Summer 2010 - Fall 2011**

*Street Outreach Counselor,, Project Genesis Care Coordinator*

Engage clients living on the streets of Boston

Engage Project Genesis referrals at McInnis House

Provide case management services to both Outreach clients and Project Genesis clients

Maintain up-to-date client records through electronic database

Participate in an array of meetings including multi-organizational case conferences

**hopeFound, Boston, MA**

**Winter 2008 - Summer 2010**

*Street Outreach Counselor*

Engaged with clients living on the streets of Boston

Provided case management to aid clients in accessing benefits, housing and treatment

Maintained up to date records through electronic database

Participated in an array of meetings including multi-organizational case conferences

**Maine Medical Center, Social Work Department, Portland, ME**

**Fall 2007 - Spring 2008**

*MSW Intern, Member of Multidisciplinary Team (HELP) working to prevent delirium in elder patients*

Participated in interdisciplinary rounds

Provided diagnostic assessment of psychological needs of patient/family with acute and chronic emotional or physical illness, and disabilities

Provided short-term counseling/ psychotherapy for individuals and families

Coordinated referrals to community services to ensure proper discharge plans were implemented

Maintained appropriate patient records, statistical information and reports

Recognized by supervisor for ability to work independently and to take on challenging cases without hesitation

**Spurwink Cummings Day School, Portland, ME**

**Fall 2006 – Spring 2007**

*MSW Intern, Generalist*

Developed and understood clients' and families' treatment plans

Provided individual child therapy including behavior management, life space interviews, and prescribed mental health intervention

Provided family work: supportive case work, treatment and informational exchange

Consulted and communicated with teaching staff

Prepared semi-annual progress reports and presented at consultation

Participated in weekly group and individual supervision

**Women's Lunch Place, Boston, MA**

**Summer 2003 – Fall 2006**

*Program Assistant (Summer 2005 – Fall 2006)*

Scheduled a staff of 17 monthly, to work various duties and responsibilities within the shelter

Oversaw and maintained numerous Microsoft Access databases focused on collecting statistics regarding clients and programs for overall organization evaluation

Interacted and worked intensively with 100+ clients and coordinated numerous programs within the shelter on a daily basis

Familiarized 25+ year homeless client with Boston area night shelter and Boston Healthcare for the Homeless Program through numerous visits. Results client spent one night at shelter, and has since been willing to enter shelter daily. Client has become a regular patient at the Boston Healthcare for the Homeless Clinic at Mass General Hospital

*Relief Staff – Kitchen, Support, and Resource Room Coordinator (Summer 2003 – Summer 2005)*

Prepared breakfast and lunch for 100+ homeless women

Coordinated volunteers in order to prepare meals

Assisted homeless women with their daily and long-term needs

Managed multiple schedules of our services and clients

Proficient in limit-setting techniques and crisis intervention

**Shattuck Shelter, Boston, MA**

**Summer 2005**

*Part-time Outreach staff*

Participated on a two-person outreach team

Communicated with homeless men living on the street and offered them an array of services

Collected statistics regarding clients, their locations, and services provided

**Shattuck Shelter, Boston, MA**

**Summer 2004- Fall 2004**

*Intern to an Outreach/Violence Specialist*

Checked-in with the homeless living on the street and offered them an array of services

Discussed and advocated violence prevention plans and resources with homeless women as well as to provide general support and counseling

Created a database of Boston services and resources for homeless and low-income people

## **SKILLS**

Proficient in Microsoft Office

Proficient in both Mac and PC environments

References will be provided upon request

## KEY ADMINISTRATIVE PERSONNEL

### NH Department of Health and Human Services

**Vendor Name:** Behavioral Health & Developmental Services of Strafford County, Inc.  
d/b/a Community Partners

**Name of Program/Service:** Tideview

BUDGET PERIOD:	FY19		
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Collins, Brian, Executive Director	\$200,000	0.00%	\$0.00
Kozak, Christopher, C. O. O.	\$87,000	0.00%	\$0.00
Stocker, Kathleen, C.F.O.	\$105,029	0.00%	\$0.00
Salsbury, Janet, Chief Clinical Officer	\$82,000	0.00%	\$0.00
Farrell, Erin, Manager of Adult Services	\$60,000	5.00%	\$3,000.00
Ulery, Veronica, Manager of ACT Team	\$50,000	5.00%	\$2,500.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
<b>TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)</b>			<b>\$5,500.00</b>

Key Administrative Personnel are top-level agency leadership (Executive Director, CEO, CFO, etc.). These personnel **MUST** be listed, even if no salary is paid from the contract. Provide their name, title, annual salary and percentage of annual salary paid from the agreement.



Subject: Continuum of Care, CLM Family Housing I, SS-2019-BHHS-03-Perma-03


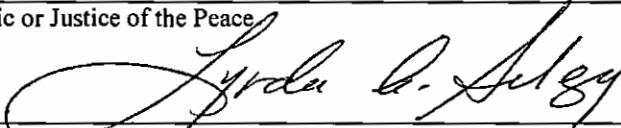
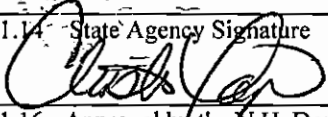
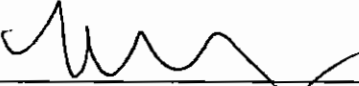
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services Office of Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Center For Life Management		1.4 Contractor Address 10 Tsienneto Rd Derry, NH 03038	
1.5 Contractor Phone Number (603) 434-1577	1.6 Account Number 05-95-42-423010-7927 102-500731	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$261,579
1.9 Contracting Officer for State Agency E. Maria Reinemann, Esq. Director, Contracts and Procurement Unit		1.10 State Agency Telephone Number (603) 271-9330	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Michael Bergeron, VP/Chief Financial Officer	
1.13 Acknowledgement: State of <u>New Hampshire</u> County of <u>Rockingham</u> On <u>June 6, 2018</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace 			
1.13.2 Name and Title of Notary or Justice of the Peace Lynda A. Silegy LYNDA A. SILEGY Notary Public - New Hampshire My Commission Expires August 5, 2019			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Date: <u>6/7/18</u> <u>Christie Fagan, Associate Commissioner</u>	
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: <u>Meghan A. [unclear] Attorney</u> <u>6/7/18</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

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

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

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, 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.



Exhibit A

SCOPE OF SERVICES

Permanent Housing Program

1. Provisions Applicable to All Services

- 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.2. 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, through the Bureau of Housing Supports, has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. The Contractor shall submit a detailed description of the language assistance services they will provided to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date; submitted to:  
  
NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301
- 1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

2. Scope of Services

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) CoC Program, the Contractor shall provide a Permanent Housing, Permanent Supportive Housing or Rapid Re-Housing project which includes, but is not limited to:
  - 2.1.1. Utilization of the "Housing First" model, which shall at a minimum, not impose barriers to entering housing, beyond those required by regulation or statute, and will only terminate project participation for the most severe reasons once available options have been exhausted to help a participant maintain housing.  
  
"Housing First" details can be accessed at:  
<https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf>
  - 2.1.2. The development of a stabilization plan and crisis management plan with the participant, at intake and, at a minimum, annually. An ongoing Assessment of Housing and Supportive Services is required, with the ultimate goal being assistance to the participant in obtaining the skills necessary to live in the community independently.
  - 2.1.3. The CoC Program interim rule, 24 CFR Part 578, requires that all CoCs implement a Coordinated Entry System (CES) in collaboration with any projects funded by the CoC Program, ESG Program, and HOPWA Program.  
  
24 CFR Part 578 can be accessed at:  
[https://www.hudexchange.info/resources/documents/CoCProgramInterimRule\\_FormattedVersion.pdf](https://www.hudexchange.info/resources/documents/CoCProgramInterimRule_FormattedVersion.pdf)



Exhibit A

- 2.1.4. The subrecipient is required to comply with applicable civil rights laws, per CFR Section 578.93, addressing nondiscrimination and equal opportunity requirements. Section 578.93(a) states that the nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105 (a) apply. This includes, but is not limited to, the Fair Housing Act, Title VI of Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 (Section 504), and title II of the Americans with Disabilities Act.
- 2.1.5. The subrecipient must establish and maintain standard operating procedures for ensuring that CoC program funds are used in accordance with the requirements of 24 CFR 578 and must establish and maintain sufficient records to enable HUD and BHS to determine whether the subrecipient is meeting the requirements, including:
  - 2.1.5.1. Continuum of Care records: Each collaborative applicant must keep the following documentation related to establishing and operating a CoC;
  - 2.1.5.2. Evidence that the Board selected by the Continuum of Care meets the requirements of § 578.5(b);
  - 2.1.5.3. Evidence that the Continuum has been established and operated as set forth in subpart B of this part, including published agendas and meeting minutes, an approved Governance Charter that is reviewed and updated annually, a written process for selecting a board that is reviewed and updated at least once every five (5) years, evidence required for designating a single Homeless Management Information System (HMIS) for the Continuum, and monitoring reports of recipients and subrecipients; and
  - 2.1.5.4. Evidence that the Continuum has prepared the application for funds as set forth in § 578.9, including the designation of the eligible applicant to be the collaborative applicant.
- 2.2. Unified funding agency records (UFAs) that requested grant amendments from HUD, as set forth in § 578.105, must keep evidence that the grant amendment was approved by the Continuum. This evidence may include minutes of meetings at which the grant amendment was discussed and approved.
- 2.3. Homeless status. Acceptable evidence of homeless status is set forth in 24 CFR 576.500(b).
- 2.4. At risk of homelessness status. For those recipients and subrecipients that serve persons at risk of homelessness, the recipient or subrecipient must keep records that establish "at risk of homelessness" status of each individual or family who receives CoC homelessness prevention assistance. Acceptable evidence is found in 24 CFR 576.500(c).
- 2.5. Records of reasonable belief of imminent threat of harm. For each program participant who moved to a different CoC due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking under § 578.51(c)(3), each recipient or subrecipient of assistance under this part must retain:
  - 2.5.1. Documentation of the original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file. This may be written observation of the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; court records or law enforcement records; or written certification by the program participant to whom the violence occurred or by the head of household.
  - 2.5.2. Documentation of the reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking, which would include threats from a third-party, such as a friend or family member of the perpetrator of the violence. This may be written observation





Exhibit A

- by the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.
- 2.6. Annual income. For each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, the recipient or subrecipient must keep the following documentation of annual income:
- 2.6.1. Income evaluation form specified by HUD and completed by the recipient or subrecipient; and
  - 2.6.2. Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement) for the assets held by the program participant and income received before the date of the evaluation;
  - 2.6.3. To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period; or
  - 2.6.4. To the extent that source documents and third-party verification are unobtainable, the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the three (3) month period following the evaluation.
- 2.7. Program participant records. In addition to evidence of homelessness status or at-risk-of-homelessness status, as applicable, the recipient or subrecipient must keep records for each program participant that document:
- 2.7.1. The services and assistance provided to that program participant, including evidence that the recipient or Subrecipient has conducted an annual assessment of services for those program participants that remain in the program for more than a year and adjusted the service package accordingly, and including case management services as provided in § 578.37(a)(1)(ii)(F); and
  - 2.7.2. Where applicable, compliance with the termination of assistance requirement in § 578.91.
- 2.8. Housing standards. The recipient or subrecipient must retain documentation of compliance with the housing standards in § 578.75(b), including inspection reports.
- 2.9. Services provided. The recipient or subrecipient must document the types of supportive services provided under the recipient's program and the amounts spent on those services. The recipient or subrecipient must keep record that these records were reviewed at least annually and that the service package offered to program participants was adjusted as necessary.
- 2.10. Match. The recipient must keep records of the source and use of contributions made to satisfy the match requirement in § 578.73. The records must indicate the grant and fiscal year for which each matching contribution is counted. The records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.
- 2.11. Conflicts of interest. The recipient and its subrecipients must keep records to show compliance with the organizational conflict-of-interest requirements in § 578.95(c), the Continuum of Care board conflict-of-interest requirements in § 578.95(b), the other conflict requirements in §

*[Handwritten Signature]*  
6/6/18



Exhibit A

- 578.95(d), a copy of the personal conflict-of-interest policy developed and implemented to comply with the requirements in § 578.95, and records supporting exceptions to the personal conflict-of-interest prohibitions.
- 2.12. Homeless participation. The recipient or subrecipient must document its compliance with the homeless participation requirements under § 578.75(g).
  - 2.13. Faith-based activities. The recipient and its subrecipients must document their compliance with the faith-based activities requirements under § 578.87(b).
  - 2.14. Affirmatively Furthering Fair Housing. Recipients and subrecipients must maintain copies of their marketing, outreach, and other materials used to inform eligible persons of the program to document compliance with the requirements in § 578.93(c).
  - 2.15. Other federal requirements. The recipient and its subrecipients must document their compliance with the federal requirements in § 578.99, as applicable.
  - 2.16. Subrecipients and contractors.
    - 2.16.1. The recipient must retain copies of all solicitations of and agreements with subrecipients, records of all payment requests by and dates of payments made to subrecipients, and documentation of all monitoring and sanctions of subrecipients, as applicable.
    - 2.16.2. The recipient must retain documentation of monitoring subrecipients, including any monitoring findings and corrective actions required.
    - 2.16.3. The recipient and its subrecipients must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR part 84.
  - 2.17. Other records specified by HUD. The recipient and subrecipients must keep other records specified by HUD.
  - 2.18. Confidentiality. In addition to meeting the specific confidentiality and security requirements for HMIS data, the recipient and its subrecipients must develop and implement written procedures to ensure:
    - 2.18.1. All records containing protected identifying information of any individual or family who applies for and/or receives Continuum of Care assistance will be kept secure and confidential;
    - 2.18.2. The address or location of any family violence project assisted with Continuum of Care funds will not be made public, except with written authorization of the person responsible for the operation of the project; and
    - 2.18.3. The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with State and local laws regarding privacy and obligations of confidentiality;
  - 2.19. Period of record retention. All records pertaining to Continuum of Care funds must be retained for the greater of five (5) years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.
    - 2.19.1. Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for five (5) years after the expenditure of all funds from the grant under which the program participant was served; and
    - 2.19.2. Where Continuum of Care funds are used for the acquisition, new construction, or rehabilitation of a project site, records must be retained until fifteen (15) years after the date that the project site is first occupied, or used, by program participants.


  
6/6/18





Exhibit A

2.20. Access to records.

- 2.20.1. Federal Government rights. Notwithstanding the confidentiality procedures established under paragraph (2.18.) of this section, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the recipient and its subrecipients that are pertinent to the Continuum of Care grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period, but last as long as the records are retained.
- 2.20.2. Public rights. The recipient must provide citizens, public agencies, and other interested parties with reasonable access to records regarding any uses of Continuum of Care funds the recipient received during the preceding five (5) years, consistent with State and local laws regarding privacy and obligations of confidentiality and confidentiality requirements in this part.
- 2.21. Based on the continued receipt/availability of federal funds from HUD COC Program Competition Funding, the Contractor shall provide a permanent housing program that is targeted to serve thirty-seven (37) homeless individuals or families.
- 2.22. The Contractor shall support the primary goal of this program which is to facilitate the movement of homeless and chronically homeless individuals and families to permanent housing and maximum self-sufficiency.
- 2.23. The Contractor shall maintain adherence to federal and state financial and confidentiality laws, and agrees to comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the 2017 NOFA Project Application approved by HUD.
- 2.24. The Contractor shall provide services according to HUD regulations as outlined in Public Law 102-550 and 24 CFR Part 578: Continuum of Care Program and other written HUD policies and directives as appropriate.

Public Law 102-550 can be accessed at:

<https://www.congress.gov/public-laws/102nd-congress>

The Electronic Code of Federal Regulations can be accessed at:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=2bfae50cb70b6feb82e6a7c0cf6b6b&mc=true&node=pt24.3.578&rgn=div5>

3. **Program Reporting Requirements**

3.1. The Contractor shall submit the following reports:

- 3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the subrecipient is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.3 Exhibit A; and
- 3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.

NH HMIS policy can be accessed at:

<http://www.nh-hmis.org>

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this



Exhibit A

contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.

- 3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by BHS.
- 3.4. The Contractor shall cooperate fully with and answer all questions of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.

**4. Contract Administration**

- 4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with Contractor performance.
- 4.3. The Contractor shall inform BHS of any staffing changes within thirty (30) days of the change.
- 4.4. Contract records shall be retained for a period of five (5) years or as required by state or federal law, following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and BHS.





**Exhibit B**

"Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

**3. Project Costs: Payment Schedule; Review by the State**

- 3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Vendor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractor shall meet the requirements of 2 CFR part 200.
- 3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 578.87(c).
- 3.3. The Sub-recipient must match all grant funds, except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources. Cash match must be used for the cost of activities that are eligible under subpart D of 24 CFR 578.
- 3.4. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578, the State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of P.L. 102-550 and other applicable regulations.
  - 3.4.1. Payment of Project Costs shall be made through the utilization of funds as provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount and time period not to exceed as specified above in section 1.1.1. Exhibit B.
- 3.5. Schedule of Payments: Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Vendor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Vendor. The Vendor agrees to keep records of their activities related to Department programs and services, and shall provide additional financial information if requested by the State to verify expenses. Invoices shall be submitted promptly to the address listed above in section 2.1.1. Exhibit B.
- 3.6. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Vendor and all payments made to date. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Vendor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Vendor pursuant to this agreement are subject to recapture.

*[Handwritten Signature]*  
*[Handwritten Date: 6/6/18]*



**Exhibit B**

3.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.

**4. Use Of Grant Funds**

- 4.1. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.
- 4.2. Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

**5. Expense Eligibility**

5.1. Based on the continued receipt/availability of federal funds, the Vendor shall utilize Continuum of Care Program agreement value specified in Exhibit B of this agreement from the HUD Continuum of Care Program, for contract services.

5.1.1. Operating Expenses

- 5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.
- 5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

5.1.2. Supportive Services

- 5.1.2.1. Eligible supportive services costs must comply with all HUD regulations in 24 CFR 578.53. Eligible services are available to those individuals actively participating in the permanent housing program.
- 5.1.2.2. Eligible costs include:
  - 5.1.2.3. mental health services;
  - 5.1.2.4. case management services;
  - 5.1.2.5. salaries of Vendor staff providing supportive services;
  - 5.1.2.6. reasonable one-time moving costs (truck rental and hiring a moving company);
  - 5.1.2.7. child-care costs for establishing and operating child care;
  - 5.1.2.8. providing child-care vouchers for children from families experiencing homelessness (including providing meals, snacks and comprehensive and coordinated developmental activities);
  - 5.1.2.9. education services;
  - 5.1.2.10. employment assistance and job training skills;



**Exhibit B**

- 5.1.2.11. housing search and counseling services;
  - 5.1.2.12. legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing);
  - 5.1.2.13. outpatient health services; and
  - 5.1.2.14. transportation services and utility deposits.
  - 5.1.2.15. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.
- 5.1.3. Rental Assistance
- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
  - 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
  - 5.1.3.3. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
  - 5.1.3.4. Rental assistance will only be provided for a unit if the rent is reasonable. The Vendor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.
  - 5.1.3.5. The Vendor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits.
  - 5.1.3.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
  - 5.1.3.7. The Vendor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
  - 5.1.3.8. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and sub recipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid Re-Housing program component must be tenant based rental assistance.



Exhibit B

- 5.1.3.9. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.1.3.10. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.1.3.11. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.
- 5.1.4. Administrative Costs
  - 5.1.4.1. Administrative costs include:
    - 5.1.4.2. preparing program budgets;
    - 5.1.4.3. schedules and amendments;
    - 5.1.4.4. developing systems for assuring compliance with program requirements;
    - 5.1.4.5. developing interagency agreements and agreements with sub recipients and Vendors to carry out program activities;
    - 5.1.4.6. preparing reports and other documents related to the program for submission to HUD;
    - 5.1.4.7. evaluating program results against stated objectives;
    - 5.1.4.8. travel costs incurred for official business in carrying out the program;
    - 5.1.4.9. administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services) and;
    - 5.1.4.10. other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).
- 5.1.5. Leasing: Leasing may include leasing one structure or leasing units scattered throughout a community.
  - 5.1.5.1. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Vendor.
  - 5.1.5.2. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.
  - 5.1.5.3. The Vendor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.
  - 5.1.5.4. Property damages may only be paid from money paid to the landlord for security deposits.
  - 5.1.5.5. The Vendor cannot lease a building that it already owns to itself.

*JMS*  
6/6/18



**Exhibit B**

- 5.1.5.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
- 5.2. The Vendor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).
  - 5.2.1. The Vendor must match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.
  - 5.2.2. Match requirements are to be documented with each payment request.
- 5.3. The Vendor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 5. Expense Eligibility, Exhibit B. The Vendor must have written approval from the State prior to billing for any other expenses.
- 5.4. The Vendor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
- 5.5. The Vendor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.

**6. Vendor Financial Management System**

- 6.1. Fiscal Control: The Vendor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Vendor.
- 6.2. The Vendor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3.2, Payment of Project Costs and Section 3.3, Schedule of Payments, of this Agreement.



Exhibit B-1 Budget

BUREAU OF HOUSING SUPPORTS  
CoC HOUSING PROGRAM PAYMENT REQUEST FORM  
CLM FAMILY HOUSING I 2017 NOFA

**For BHS use only**  
**Vendor # 174116 - R001**  
**Contract #1056998 Line #1**  
**Invoice: CLMFH**  
**Descript: NH0003L1T001710**  
**Account: 010-042-7927-102-500731**  
**Add Activites**  
**Amount \$**  
**Job #**  
**Amount \$**  
**Job #**  
**Amount \$**  
**Job #**

Authorizing Signature (provider)

AMOUNT	INITIAL	DATE
\$ -	KS	
Amy O'Hara, Financial Manager		

Center for Life Management FAMILY HOUSING I (BILL)		Billing Period:					
Operating year: 7-1-18 to 6-30-2019							
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
Activity Name	Activity Budget	Processed Received	Matching funds Applied	Budgeted Balance Available	Requested This Invoice	Match applied this Invoice	New Available Balance
Rental Assistance	\$ 195,828.00	\$ -		\$ 195,828.00			\$ 195,828.00
Supportive Services	\$ 59,464.00	\$ -		\$ 59,464.00	\$ -		\$ 59,464.00
Case Management	\$ 26,956.00			\$ 26,956.00			\$ 26,956.00
Housing/ Counseling Services	\$ 12,852.00			\$ 12,852.00			\$ 12,852.00
Mental Health Services	\$ 19,656.00			\$ 19,656.00			\$ 19,656.00
Administration	\$ 6,287.00	\$ -		\$ 6,287.00			\$ 6,287.00
25% Match	\$ 66,966.25			\$ 66,966.25		\$ -	\$ 66,966.25
<b>Total HUD Funding</b>	<b>\$ 261,579.00</b>	<b>\$ -</b>		<b>\$ 261,579.00</b>			<b>\$ 261,579.00</b>
Please pay this amount					\$ -		

Vendor Initials AKS  
Date 6/6/18



**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.

New Hampshire Department of Health and Human Services  
Exhibit C



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 EEO on file and submit an EEO Certification Form to the OCR, certifying that its EEO 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 EEO Certification Form to the OCR certifying it is not required to submit or maintain an EEO. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEO requirement, but are required to submit a certification form to the OCR to claim the exemption. EEO 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



- 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.



**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.



**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.

Contractor Name:

Date June 6, 2018

  
Name: Michael Bergeron  
Title: VP, Chief Financial Officers



**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-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name:

June 6, 2018  
Date

  
Name: Michael Bergeron  
Title: VP, Chief Financial Officer



**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

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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.

Contractor Name:

June 6, 2018  
Date

Michael Bergeron  
Name: Michael Bergeron  
Title: VP, Chief Financial Officer



**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 *MS*

Date *6/6/18*

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.

Contractor Name:

June 6, 2018  
Date

  
Name: Michael Bergeron  
Title: VP, Chief Financial Officer

Exhibit G

Contractor Initials MB

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

Date 6/6/18



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Contractor Name:

June 6, 2018  
Date

  
Name: Michael Bergeron  
Title: VP, Chief Financial Officer



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.





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



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) **Obligations of Covered Entity**

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

(5) **Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) **Miscellaneous**

- a. **Definitions and Regulatory References.** All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. **Amendment.** Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. **Data Ownership.** The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. **Interpretation.** The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



Exhibit I

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

Department of Health and Human Services  
The State

*Christie Tappan*  
Signature of Authorized Representative

*Christie Tappan*  
Name of Authorized Representative

*Associate Commissioner*  
Title of Authorized Representative

*6/7/18*  
Date

CLM Center for Life Management  
Name of the Contractor

*Michael Bergeron*  
Signature of Authorized Representative

*Michael Bergeron*  
Name of Authorized Representative

*VP, Chief Financial Officer*  
Title of Authorized Representative

*June 6, 2018*  
Date



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

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

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

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

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

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

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

Contractor Name:

Date June 6, 2018

  
Name: Michael Bergeron  
Title: VP, Chief Financial Officer



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: 085573541
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: _____



A. Definitions

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

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

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

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



DHHS Information Security Requirements



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

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

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

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

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



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

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

## II. METHODS OF SECURE TRANSMISSION OF DATA

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

DHHS Information Security Requirements



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

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

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

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

**A. Retention**

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



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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

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

DHHS Information Security Requirements



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



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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.



Exhibit K

DHHS Information Security Requirements

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

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

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

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

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

*[Handwritten Signature]*  
*6/6/18*



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

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

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov

*AKS*  
*6/6/18*



# State of New Hampshire

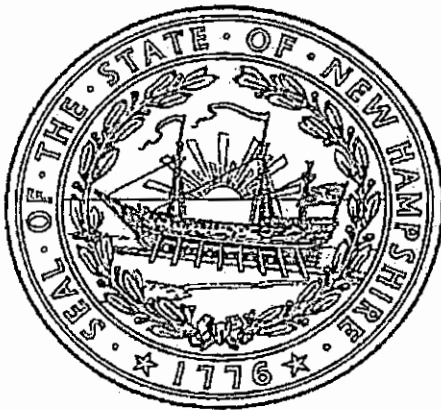
## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CLM CENTER FOR LIFE MANAGEMENT is a New Hampshire Trade Name registered to transact business in New Hampshire on June 30, 2003. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 442328

Certificate Number : 0004073368



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 2nd day of April A.D. 2018.

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

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

I, Judith Ryan, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of CLM Center for Life Management.  
(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 June 6, 2018.  
(Date)

**RESOLVED:** That the Vice President / Chief Financial Officer  
(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 6 day of June, 2018.  
(Date Contract Signed)

4. Michael Bergeron is the duly elected VP, Chief Financial Officer  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Judith Ryan  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Rockingham

The forgoing instrument was acknowledged before me this 6 day of June, 2018.

By Judith Ryan  
(Name of Elected Officer of the Agency)

Lynda A. Silegy  
(Notary Public/Justice of the Peace)

(NOTARY SEAL) -

Commission Expires: LYNDA A. SILEGY  
Notary Public - New Hampshire  
My Commission Expires August 5, 2019



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

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or 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 any rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> USI Insurance Services LLC 3 Executive Park Drive, Suite 300 Bedford, NH 03110 855 874-0123	<b>CONTACT NAME:</b>	
	<b>PHONE (A/C, No, Ext):</b> 855 874-0123	<b>FAX (A/C, No):</b>
<b>INSURED</b> The Mental Health Center for Southern NH DBA CLM Center for Life Management 10 Tsienneto Rd Derry, NH 03038	<b>INSURER(S) AFFORDING COVERAGE</b>	
	INSURER A : Philadelphia Indemnity Insurance Co.	
	INSURER B : Granite State Insurance Company	
	INSURER C :	
	INSURER D :	
	INSURER E :	
		<b>NAIC #</b> 18058  23809

**COVERAGES**

**CERTIFICATE NUMBER:**

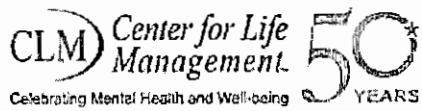
**REVISION NUMBER:**

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 INSR	SUBR INSR	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 type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			PHPK1720326	10/01/2017	10/01/2018	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$20,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK1720333	10/01/2017	10/01/2018	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 DED <input checked="" type="checkbox"/> RETENTION \$10,000			PHUB602527	10/01/2017	10/01/2018	EACH OCCURRENCE \$3,000,000 AGGREGATE \$3,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	017064748	10/01/2017	10/01/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000
A	Professional Liab			PHPK1720326	10/01/2017	10/01/2018	\$1,000,000 \$3,000,000 aggregate

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

<b>CERTIFICATE HOLDER</b> DHHS Dept Health & Human Services 129 Pleasant Street Concord, NH 03301	<b>CANCELLATION</b> 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 <i>See Not</i>



## **Our Mission & Vision**

### **OUR MISSION**

To promote the health and well-being of individuals, families and organizations.

We accomplish this through professional, caring and comprehensive behavioral health care services and by partnering with other organizations that share our philosophy.

### **OUR VISION**

Together, we can evolve from being primarily a treatment focused behavioral health organization to one that values whole health and wellness.

**THE MENTAL HEALTH CENTER FOR  
SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE  
MANAGEMENT AND AFFILIATES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
Years ended June 30, 2017 and 2016**

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Years ended June 30, 2017 and 2016

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Independent Auditor's Report

To the Board of Directors of  
The Mental Health Center for Southern New Hampshire  
d/b/a/ CLM Center for Life Management and Affiliates

We have audited the accompanying consolidated financial statements of The Mental Health Center for Southern New Hampshire d/b/a/ CLM Center for Life Management and Affiliates (a nonprofit organization), which are comprised of the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 The Mental Health Center for Southern New Hampshire d/b/a/ CLM Center for Life Management and Affiliates as of June 30, 2017 and 2016, 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.



### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 16-22 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.

*W. Schmitt, W. Schmitt & Assoc., PLLC*

Essex Junction, Vermont  
Registration number VT092.0000684  
October 25, 2017

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES

Consolidated Statements of Financial Position

June 30, 2017 and 2016

<u>ASSETS</u>		
	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 1,060,309	\$ 404,052
Accounts receivable, net	874,385	1,081,551
Other receivables	116,163	255,122
Prepaid expenses	93,249	62,043
Total current assets	2,144,106	1,802,768
Property and equipment, net	3,819,751	4,008,852
Total assets	\$ 5,963,857	\$ 5,811,620
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Line of credit	\$ -	\$ 100,000
Current portion of long-term debt	86,038	83,538
Accounts payable	81,794	66,915
Accrued payroll and payroll liabilities	364,814	286,970
Accrued vacation	292,305	280,456
Accrued expenses	12,500	12,500
Deferred revenue	7,580	11,980
Total current liabilities	845,031	842,359
Long term liabilities		
Interest rate swap agreement	37,053	185,205
Long term-debt less current portion	2,397,390	2,483,453
Total long term liabilities	2,434,443	2,668,658
Total liabilities	3,279,474	3,511,017
Net assets - unrestricted	2,684,383	2,300,603
Total liabilities and unrestricted net assets	\$ 5,963,857	\$ 5,811,620

See notes to financial statements

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES

Consolidated Statements of Activities  
Years ended June 30, 2016 and 2015

	<u>2017</u>	<u>2016</u>
<u>Public support and revenues:</u>		
Public support:		
Federal	\$ 744,203	\$ 716,508
State of New Hampshire - BBH	518,471	488,364
State and local funding	44,601	41,400
Other public support	<u>148,038</u>	<u>139,113</u>
Total public support	1,455,313	1,385,385
Revenues:		
Program service fees, net	11,514,943	10,473,843
Other service income	422,362	453,289
Rental income	4,798	4,766
Other	20,038	19,679
Gain on sale of assets	<u>-</u>	<u>94,765</u>
Total revenues	<u>11,962,141</u>	<u>11,046,342</u>
Total public support and revenues	13,417,454	12,431,727
<u>Operating expenses:</u>		
BBH funded programs:		
Children	4,450,932	3,885,306
Elders	243,821	325,537
Vocational	229,971	223,383
Multi-Service	2,329,607	1,602,244
Acute Care	745,489	829,224
Independent Living	1,876,360	1,683,005
Assertive Community Treatment	678,106	605,142
Non-Specialized Outpatient	1,370,779	1,856,821
Non-BBH funded program services	<u>167,338</u>	<u>442,734</u>
Total program expenses	12,092,403	11,453,396
Administrative expenses	<u>1,089,423</u>	<u>991,805</u>
Total expenses	<u>13,181,826</u>	<u>12,445,201</u>
Change in net assets from operations	235,628	(13,474)
<u>Non-operating expenses:</u>		
Fair value loss on interest rate swap	<u>148,152</u>	<u>(185,205)</u>
Change in net assets	383,780	(198,679)
Net assets, beginning of year	<u>2,300,603</u>	<u>2,499,282</u>
Net assets, end of year	<u>\$ 2,684,383</u>	<u>\$ 2,300,603</u>

See notes to financial statements

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Consolidated Statements of Functional Expenses  
Years ended June 30, 2017 and 2016

	2017			2016		
	<u>Program Services</u>	<u>Administrative</u>	<u>Total</u>	<u>Program Services</u>	<u>Administrative</u>	<u>Total</u>
Personnel costs:						
Salaries and wages	\$ 7,739,427	\$ 708,667	\$ 8,448,094	\$ 7,300,706	\$ 595,952	\$ 7,896,658
Employee benefits	1,512,048	135,073	1,647,121	1,383,676	119,111	1,502,787
Payroll taxes	556,222	47,730	603,952	528,430	40,307	568,737
Accounting/audit fees	52,170	9,915	62,085	48,538	8,993	57,531
Advertising	8,195	702	8,897	11,419	790	12,209
Conferences, conventions and meetings	20,838	11,992	32,830	28,553	10,822	39,375
Depreciation	201,071	20,764	221,835	234,384	18,839	253,223
Equipment maintenance	11,094	1,146	12,240	12,309	1,134	13,443
Equipment rental	47,239	3,755	50,994	38,307	6,824	45,131
Insurance	71,935	7,568	79,503	73,732	7,195	80,927
Interest expense	98,804	15,153	113,957	79,489	30,727	110,216
Legal fees	35,825	3,498	39,323	31,433	2,757	34,190
Membership dues	46,938	8,670	55,608	46,845	8,975	55,820
Occupancy expenses	842,203	10,283	852,486	786,802	17,650	804,452
Office expenses	195,435	20,893	216,328	195,731	38,601	234,332
Other expenses	28,599	12,015	40,614	36,234	11,680	47,914
Other professional fees	303,067	58,786	361,853	326,771	56,157	382,928
Program supplies	123,719	10,843	134,562	125,794	12,945	138,739
Travel	197,574	1,970	199,544	164,243	2,346	166,589
	12,092,403	1,089,423	13,181,826	11,453,396	991,805	12,445,201
Administrative allocation	1,089,423	(1,089,423)	-	991,805	(991,805)	-
Total expenses	13,163,439	\$ -	\$ 13,181,826	\$ 12,445,201	\$ -	\$ 12,445,201

See notes to financial statements

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES

Consolidated Statements of Cash Flows  
Years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets	\$ 383,780	\$ (198,679)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	240,772	253,223
Gain on sale of assets	-	(94,765)
Fair value (gain) loss on interest rate swap	(148,152)	185,205
(Increase) decrease in:		
Restricted cash	-	130,727
Accounts receivable, net	207,166	(122,723)
Other receivables	138,959	(79,821)
Prepaid expenses	(31,206)	(31,338)
Increase (decrease) in:		
Accounts payable and accrued expenses	104,572	(5,549)
Deferred revenue	(4,400)	4,400
Net cash provided by operating activities	891,491	40,680
<b>Cash flows from investing activities:</b>		
Proceeds from sale of property	-	379,371
Purchases of property and equipment	(32,734)	(58,629)
Finance costs	-	(85,748)
Net cash (used) provided by investing activities	(32,734)	234,994
<b>Cash flows from financing activities:</b>		
Net borrowing (payments) on line of credit	(100,000)	50,000
Net principal payments on long term debt	(102,500)	(569,503)
Net cash used in financing activities	(202,500)	(519,503)
Net increase (decrease) in cash and cash equivalents	656,257	(243,829)
Cash and cash equivalents, beginning of year	404,052	647,881
Cash and cash equivalents, end of year	\$ 1,060,309	\$ 404,052
<b>Supplemental cash flow disclosures:</b>		
Cash paid during the year for interest	\$ 113,957	\$ 155,926

See notes to financial statements

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Notes to Consolidated Financial Statements  
June 30, 2017 and 2016

Note 1. Nature of organization

The Mental Health Center for Southern New Hampshire d/b/a CLM Center for Life Management (the "Agency") is a not-for-profit corporation, organized under New Hampshire law to provide services in the areas of mental health and related non-mental health programs.

During 2006, the Center for Life Management Foundation (the "Foundation") was established to act for the benefit of, to carry out the functions of, and to assist the Agency. It is affiliated with The Mental Health Center for Southern New Hampshire d/b/a CLM Center for Life Management through common board members and management. In addition, the Agency is the sole member.

The Mental Health Center for Southern New Hampshire d/b/a CLM Center for Life Management and the Center for Life Management Foundation are collectively referred to the "Organization".

Basis of consolidation

The consolidated financial statements include the accounts of The Mental Health Center for Southern New Hampshire d/b/a CLM Center for Life Management and its Affiliates and the Center for Life Management Foundation. All intercompany transactions have been eliminated in consolidation.

Note 2. Basis of accounting and summary of significant accounting policies

Basis of accounting

The financial statements are prepared on the accrual basis of accounting. Under this basis, revenues, other than contributions, and expenses are reported when incurred, without regard to date of receipt or payment of cash. Contributions are reported in accordance with FASB Accounting Standards Codification ("ASC") *Accounting for Contributions Received and Contributions Made*.

Basis of presentation

The Organization's financial statement presentation is required by the Not-for-Profit *Presentation of Financial Statements* topic of the FASB ASC. The Organization is required to report information regarding its financial position and activities according to the following three classifications of net assets based on the existence or absence of donor-imposed restrictions.

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Notes to Consolidated Financial Statements  
June 30, 2017 and 2016

Note 2. Basis of accounting and summary of significant accounting policies (continued)

At June 30, 2017 and 2016, the Organization had no temporarily or permanently restricted net assets.

General

The significant accounting policies of the Organization are presented to assist in understanding the Organization's financial statements. The financial statements and the notes are representations of the Organization's management. The Organization is responsible for the integrity and objectivity of the financial statements.

Use of estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Cash and cash equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash and cash equivalents. Cash equivalents include savings, money market accounts, and certificates of deposits.

Accounts receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management writes off accounts when they are deemed uncollectible and establishes an allowance for doubtful accounts for estimated uncollectible amounts. The Organization had an allowance for doubtful accounts of \$208,878 and \$271,488 as of June 30, 2017 and 2016, respectively. Refer to Note 3 for additional discussion of accounts receivable.

Property

Property is recorded at cost, except for donated assets which are recorded at estimated fair value at the date of donation. Depreciation is computed on the straight line basis over the estimated useful lives of the related assets as follows:

Buildings and improvements	15 – 40 years
Automobiles	3 – 15 years
Equipment	5 – 7 years

All equipment valued at \$500 or more is capitalized. Expenditures for repairs and maintenance are expensed when incurred and betterments are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related accumulated depreciation, and any gain or loss is recognized.

Depreciation expense was \$221,835 and \$236,342 for the years ended June 30, 2017 and 2016, respectively.

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2017 and 2016

Note 2. Basis of accounting and summary of significant accounting policies (continued)

Finance costs

Financing costs are recorded on the statement of position net of accumulated amortization. In accordance with Generally Accepted Accounting Principles, the unamortized financing costs are reported as a reduction in long term debt - see Note6. The costs are amortized over the term of the respective financing arrangement.

Vacation pay and fringe benefits

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

Fair value measurements and financial instruments

The Company adopted FASB ASC 820, Fair Value Measurements and Disclosures, for assets and liabilities measured at fair value on a recurring basis. The codification established a common definition for fair value to be applied to existing generally accepted accounting principles that requires the use of fair value measurements, establishes a framework for measuring fair value, and expands disclosure about such fair value measurements.

FASB ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, FASB ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

The Organization's financial instruments consist primarily of cash, accounts receivables, accounts payable and accrued expenses. The carrying amount of the Organization's financial instruments approximates their fair value due to the short-term nature of such instruments. The carrying value of long-term debt approximates fair value due to their bearing interest at rates that approximate current market rates for notes with similar maturities and credit quality.

The Organization's interest rate swap agreements are classified as level 2 in the hierarchy, as all significant inputs to the fair value measurement are directly observable, such as the underlying interest rate assumptions.

Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions.



THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2017 and 2016

Note 2. Basis of accounting and summary of significant accounting policies (continued)

All donor-restricted contributions received are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of support, revenues, and expenses as net assets released from restrictions.

Restricted contributions that meet the restriction in the same reporting period are reported as increases in unrestricted net assets.

Third-party contractual arrangements

A significant portion of revenue is derived from services to patients insured by third-party payers. Reimbursements from Medicare, Medicaid, and other commercial payers are at defined service rates for services rendered to patients covered by these programs are received. The difference between the established billing rates and the actual rate of reimbursement is recorded as an allowance when received. A provision for estimated contractual allowances is provided on outstanding patient receivables at the statement of financial position date.

Interest rate swap

The Organization uses an interest rate swap to effectively convert the variable rate on its State Authority Bond to a fixed rate, as described in Note 8. The change in the fair value of the swap agreement and the payments to or receipts from the counterparty to the swap are netted with the interest expense on the bonds. Cash flows from interest rate swap contracts are classified as a financing activity on the statement of cash flows.

Advertising expenses

The Organization expenses advertising costs as they are incurred.

Expense allocation

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

Income taxes

The Agency is a non-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Agency has also been classified as an entity that is not a private foundation within the meaning of 509(a) and qualifies for deductible contributions.

The Foundation is a non-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is an organization that is organized and operated exclusively for the benefit of the Agency.

These financial statements follow FASB ASC, *Accounting for Uncertain Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return.

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2017 and 2016

Note 2. Basis of accounting and summary of significant accounting policies (continued)

*Accounting for Uncertain Income Taxes* did not have a material impact on these financial statements as the Organization believes it has taken no uncertain tax positions that could have an effect on its financial statements.

Federal Form 990 (Return of an Organization Exempt from Income Tax) for fiscal years 2014, 2015 and 2016 are subject to examination by the IRS, generally for three years after filing.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified in order to be comparable with the current year presentation.

Subsequent events

The Organization has evaluated all subsequent events through October 25, 2017, the date the financial statements were available to be issued.

Note 3. Accounts receivable, net

Accounts receivable consist of the following at June 30,:

	<u>2017</u>			<u>2016</u>		
	Receivable			Receivable		
<u>Accounts receivable</u>	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Clients	\$ 310,035	\$ (161,421)	\$ 148,614	\$ 383,696	\$ (217,943)	\$ 165,753
Insurance companies	136,783	(3,018)	133,765	169,239	(7,370)	161,869
Medicaid	494,240	(29,656)	464,584	635,992	(29,718)	606,274
Medicare	142,205	(14,783)	127,422	164,112	(16,457)	147,655
	<u>\$1,083,263</u>	<u>\$ (208,878)</u>	<u>\$ 874,385</u>	<u>\$1,353,039</u>	<u>\$ (271,488)</u>	<u>\$ 1,081,551</u>

	<u>2017</u>	<u>2016</u>
<u>Other receivables</u>		
Towns	\$ 23,000	\$ 22,000
NH Division of Mental Health	64,982	104,925
Contractual services	28,181	75,473
Grant receivable	-	52,724
	<u>\$ 116,163</u>	<u>\$ 255,122</u>

Note 4. Concentrations of credit risk

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

	<u>2017</u>	<u>2016</u>
Receivables primarily for services provided to individuals and entities located in southern New Hampshire	\$ <u>874,385</u>	\$ <u>1,081,551</u>
Other receivables due from entities located in New Hampshire	\$ <u>116,163</u>	\$ <u>255,122</u>

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
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Notes to Consolidated Financial Statements  
June 30, 2017 and 2016

Note 4. Concentrations of credit risk (continued)

Bank balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to the prevailing FDIC limit. At June 30, 2017 and 2016, the Organization had approximately \$655,600 and \$18,000 in uninsured cash balances.

Note 5. Property

Property and equipment consists of the following at June 30:

	<u>2017</u>	<u>2016</u>
Land	\$ 565,000	\$ 632,418
Buildings and improvements	3,970,417	3,950,597
Automobiles	20,000	20,000
Equipment	<u>1,411,379</u>	<u>1,583,654</u>
	5,966,796	6,119,611
Less: accumulated depreciation	<u>(2,147,045)</u>	<u>(2,110,759)</u>
Property and equipment, net	<u>\$ 3,819,751</u>	<u>\$ 4,008,852</u>

Note 6. Long term debt

Long term debt consists of the following as of June 30,:

	<u>2017</u>	<u>2016</u>
Series 2015 New Hampshire Health and Education Facilities Bond - Payable through 2036, original principal of \$3,042,730, remarketed and sold to People's United Bank at a variable rate, with an effective rate of 2.17385% and 1.76409% at June 30, 2017 and 2016, respectively. Secured by land, building, equipment, and certain revenues, and is subject to certain financial covenants. The note matures August 2025. The Organization has entered into an interest rate swap agreement to effectively fix the interest rate on the note. See Note 8.	2,860,230	2,962,730
Less: unamortized finance costs	<u>(376,802)</u>	<u>(395,739)</u>
Long term debt, less unamortized finance costs	2,483,428	2,566,991
Less: current portion of long term debt	<u>(86,038)</u>	<u>(83,538)</u>
Long term debt, less current portion	<u>\$ 2,397,390</u>	<u>\$ 2,483,453</u>

In 2017, the Organization retroactively adopted the requirements of FASB ASC 835-30 to present debt issuance costs as a reduction of the carrying amount of debt rather than as an asset. Long term debt as of June 30, 2016 was previously reported on the consolidated statement of financial position as \$2,962,730 with the associated \$395,739 of unamortized finance costs included in other assets.

**THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
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**Notes to Consolidated Financial Statements**

**June 30, 2017 and 2016**

**Note 6. Long term debt (continued)**

Amortization of the finance costs is reported as interest expense in the financial statements. Amortization of \$18,937 and \$16,881 is reported as interest expense in the consolidated statement of activities for the years ending June 30, 2017 and 2016, respectively.

Future maturities to long term debt are as follows:

<u>Year ending June 30,</u>	<u>Long Term Debt Principal</u>	<u>Unamortized Finance Costs</u>	<u>Net</u>
2018	\$ 105,000	\$ (18,962)	\$ 86,038
2019	107,500	(18,962)	88,538
2020	112,500	(18,962)	93,538
2021	117,500	(18,962)	98,538
2022	122,500	(18,962)	103,538
Thereafter	<u>2,295,230</u>	<u>(281,992)</u>	<u>2,013,238</u>
Total	<u>\$ 2,860,230</u>	<u>\$ (376,802)</u>	<u>\$ 2,483,428</u>

**Note 7. Line of credit**

As of June 30, 2017, the Organization had a demand line of credit with People's United Bank with a borrowing capacity of \$850,000, which is available through March, 2018. Interest accrued on the outstanding principal balance is payable monthly at the Wall Street Journal Prime plus 1.50% (effective rate of 5.25% at June 30, 2017). The outstanding balance on the line at June 30, 2017 was \$0. The line of credit is secured by all business assets and real estate.

As of June 30, 2016, the Organization had a demand line of credit with People's United Bank with a borrowing capacity of \$850,000, which was available through September 30, 2016. Interest accrued on the outstanding principal balance is payable monthly at the Wall Street Journal Prime plus 1.50% (effective rate of 5.0% at June 30, 2016). The outstanding balance on the line at June 30, 2016 was \$100,000. The line of credit was secured by all business assets and real estate.

**Note 8. Interest rate swap**

During 2016, the Organization entered into an interest rate swap agreement with People's United Bank that effectively fixes the interest rate on the outstanding principal of the Banks term note at 3.045% (see Note 8).

Under the arrangement, the notional principal amount is the balance of the note, with the Organization receiving floating payments of one month London InterBank Offered rate ("LIBOR") plus .69% and paying a fixed rate of 3.045%.

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Notes to Consolidated Financial Statements  
June 30, 2017 and 2016

Note 8. Interest rate swap (continued)

The agreement matures August 2025 and has a notional amount of \$2,860,230 and \$2,962,730 at June 30, 2017 and 2016, respectively.

In accordance with Generally Accepted Accounting Principles, the interest rate swap agreement is recorded at its fair value as an asset or liability, with the changes in fair value being reported as a component of the change in unrestricted net assets. For the year ending June 30, 2017 and 2016, the Organization reported an interest rate swap liability of \$37,053 and \$185,205 on the statement of financial position and a fair value gain / (loss) of interest rate swap of \$148,152 and (\$185,205) on the statement of activities, respectively. The fair value gain / (loss) is reported as a non-operating expense of the Organization and is a non-cash transaction.

Note 9. Employee benefit plan

Discretionary matching contributions to a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code are contingent upon financial condition. This program covers eligible regular full-time and part-time employees who have successfully completed at least one year of employment and work at least 20 hours per week. Eligible employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. Employer contributions totaled \$94,737 and \$97,181 for the years ending June 30, 2017 and 2016, respectively.

Note 10. Commitments and contingencies

The Mental Health Center for Southern New Hampshire, d/b/a CLM Center for Life Management, has entered into an agreement with Parkland Medical Center ("PMC") of Derry, New Hampshire, effective June 1, 2013. The contract was temporarily extended through May 31, 2015 and subsequently renewed effective June 1, 2015 for a one year term with two one-year automatic renewal options. The second one-year automatic renewal was executed and the agreement expires May 31, 2018. The contract requires that CLM provide psychiatric services and consultations to inpatients of PMC for the hospital medical and nursing staff. The consultations are requested by the hospital and responded to by CLM medical staff on an on-call basis.

In addition to the psychiatric services, CLM provides emergency mental health assessments, evaluations, and referral services to the emergency department ("ED") of the hospital. CLM emergency service clinicians are available on a twenty-four hour, seven days a week basis to see patients entering the ED who are experiencing a mental health crisis or psychiatric emergency.

For the years ending June 30, 2017 and 2016, the Agency received approximately 67% and 62%, respectively, of its total revenue in the form of Medicaid reimbursements. Being a State of New Hampshire designated Community Mental Health Center affords the Agency Medicaid provider status. Annual contracting with New Hampshire Department of Health and Human Services-Bureau of Behavioral Health provides a base allocation of state general funds that can be taken as a grant or pledged in full or in part for leveraging matching federal Medicaid dollars.

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2017 and 2016

Note 11. Lease commitments

The Agency leases facilities under various operating leases. Rent expense recorded under these arrangements was approximately \$141,000 and \$138,000 for the years ended June 30, 2017 and 2016, respectively.

The following details the future minimum lease payments on leases with an initial or remaining term of greater than one year as of June 30, 2017:

<u>Year ending June 30,</u>	
2018	\$ 136,028
2019	136,593
2020	144,983
2021	145,547
2022	<u>145,547</u>
Total	\$ <u>708,698</u>

SUPPLEMENTARY INFORMATION

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Consolidating Statement of Position

June 30, 2017

	<u>Center for Life Management</u>	<u>CLM Foundation</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 877,779	\$ 182,530	\$ 1,060,309	\$ -	\$ 1,060,309
Accounts receivable, net	874,385	-	874,385	-	874,385
Other receivables	116,163	-	116,163	-	116,163
Prepaid expenses	93,249	-	93,249	-	93,249
Total current assets	1,961,576	182,530	2,144,106	-	2,144,106
Property and equipment, net	3,819,751	-	3,819,751	-	3,819,751
Total assets	\$ 5,781,327	\$ 182,530	\$ 5,963,857	\$ -	\$ 5,963,857

LIABILITIES AND NET ASSETS

Current liabilities:					
Current portion of long-term debt	\$ 86,038	\$ -	\$ 86,038	\$ -	\$ 86,038
Accounts payable	81,794	-	81,794	-	81,794
Accrued payroll and payroll liabilities	364,814	-	364,814	-	364,814
Accrued vacation	292,305	-	292,305	-	292,305
Accrued expenses	12,500	-	12,500	-	12,500
Deferred revenue	7,580	-	7,580	-	7,580
Total current liabilities	845,031	-	845,031	-	845,031
Long term liabilities					
Interest rate swap agreement	37,053	-	37,053	-	37,053
Long-term-debt less current portion	2,397,390	-	2,397,390	-	2,397,390
Total long term liabilities	2,434,443	-	2,434,443	-	2,434,443
Total liabilities	3,279,474	-	3,279,474	-	3,279,474
Net assets - unrestricted	2,501,853	182,530	2,684,383	-	2,684,383
Total liabilities and unrestricted net assets	\$ 5,781,327	\$ 182,530	\$ 5,963,857	\$ -	\$ 5,963,857



THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Consolidating Statement of Position

June 30, 2016

Center for Life

CLM

Management

Foundation

Total

Eliminations

Consolidated

ASSETS

Current assets:

Cash and cash equivalents	\$ 245,413	\$ 158,639	\$ 404,052	\$ -	\$ 404,052
Accounts receivable, net	1,081,551	-	1,081,551	-	1,081,551
Other receivables	255,122	-	255,122	-	255,122
Prepaid expenses	<u>62,043</u>	<u>-</u>	<u>62,043</u>	<u>-</u>	<u>62,043</u>
Total current assets	1,644,129	158,639	1,802,768	-	1,802,768
Property and equipment, net	<u>4,008,852</u>	<u>-</u>	<u>4,008,852</u>	<u>-</u>	<u>4,008,852</u>
Total assets	<u>\$ 5,652,981</u>	<u>\$ 158,639</u>	<u>\$ 5,811,620</u>	<u>\$ -</u>	<u>\$ 5,811,620</u>

LIABILITIES AND NET ASSETS

Current liabilities:

Line of credit	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000
Current portion of long-term debt	83,538	-	83,538	-	83,538
Accounts payable	66,915	-	66,915	-	66,915
Accrued payroll and payroll liabilities	286,970	-	286,970	-	286,970
Accrued vacation	280,456	-	280,456	-	280,456
Accrued expenses	12,500	-	12,500	-	12,500
Deferred revenue	<u>11,980</u>	<u>-</u>	<u>11,980</u>	<u>-</u>	<u>11,980</u>
Total current liabilities	842,359	-	842,359	-	842,359
Long term liabilities					
Interest rate swap agreement	185,205	-	185,205	-	185,205
Long-term-debt less current portion	<u>2,483,453</u>	<u>-</u>	<u>2,483,453</u>	<u>-</u>	<u>2,483,453</u>
Total long term liabilities	2,668,658	-	2,668,658	-	2,668,658
Total liabilities	3,511,017	-	3,511,017	-	3,511,017
Net assets - unrestricted	<u>2,141,964</u>	<u>158,639</u>	<u>2,300,603</u>	<u>-</u>	<u>2,300,603</u>
Total liabilities and unrestricted net assets	<u>\$ 5,652,981</u>	<u>\$ 158,639</u>	<u>\$ 5,811,620</u>	<u>\$ -</u>	<u>\$ 5,811,620</u>

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Consolidating Statement of Activities  
For the Year Ended June 30, 2017

	Center for Life <u>Management</u>	CLM <u>Foundation</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
<u>Public support and revenues:</u>					
Public support:					
Federal	\$ 744,203	\$ -	\$ 744,203	\$ -	\$ 744,203
State of New Hampshire - BBH	518,471	-	518,471	-	518,471
State and local funding	44,601	-	44,601	-	44,601
Other public support	105,760	42,278	148,038	-	148,038
Total public support	1,413,035	42,278	1,455,313	-	1,455,313
Revenues:					
Program service fees, net	11,514,943	-	11,514,943	-	11,514,943
Other service income	422,362	-	422,362	-	422,362
Rental income	4,798	-	4,798	-	4,798
Other	20,038	-	20,038	-	20,038
Total revenues	11,962,141	-	11,962,141	-	11,962,141
Total public support and revenues	13,375,176	42,278	13,417,454	-	13,417,454
<u>Operating expenses:</u>					
BBH funded programs:					
Children	4,450,932	-	4,450,932	-	4,450,932
Elders	243,821	-	243,821	-	243,821
Vocational	229,971	-	229,971	-	229,971
Multi-Service	2,329,607	-	2,329,607	-	2,329,607
Acute Care	745,489	-	745,489	-	745,489
Independent Living	1,876,360	-	1,876,360	-	1,876,360
Assertive Community Treatment	678,106	-	678,106	-	678,106
Non-Specialized Outpatient	1,370,779	-	1,370,779	-	1,370,779
Non-BBH funded program services	148,951	18,387	167,338	-	167,338
Total program expenses	12,074,016	18,387	12,092,403	-	12,092,403
Administrative expenses	1,089,423	-	1,089,423	-	1,089,423
Total expenses	13,163,439	18,387	13,181,826	-	13,181,826
Change in net assets from operations	211,737	23,891	235,628	-	235,628
<u>Non-operating expenses:</u>					
Fair value gain on interest rate swap	148,152	-	148,152	-	148,152
Change in net assets	359,889	23,891	383,780	-	383,780
Net assets, beginning of year	2,141,964	158,639	2,300,603	-	2,300,603
Net assets, end of year	\$ 2,501,853	\$ 182,530	\$ 2,684,383	\$ -	\$ 2,684,383

See Independent Auditor's Report

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Consolidating Statement of Activities  
For the Year Ended June 30, 2016

	<u>Center for Life Management</u>	<u>CLM Foundation</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
<u>Public support and revenues:</u>					
Public support:					
Federal	\$ 716,508	\$ -	\$ 716,508	\$ -	\$ 716,508
State of New Hampshire - BBH	488,364	-	488,364	-	488,364
State and local funding	41,400	-	41,400	-	41,400
Other public support	98,301	40,812	139,113	-	139,113
Total public support	1,344,573	40,812	1,385,385	-	1,385,385
Revenues:					
Program service fees, net	10,473,843	-	10,473,843	-	10,473,843
Other service income	453,289	-	453,289	-	453,289
Rental income	4,766	-	4,766	-	4,766
Other	19,679	-	19,679	-	19,679
Gain on sale of assets	94,765	-	94,765	-	94,765
Total revenues	11,046,342	-	11,046,342	-	11,046,342
Total public support and revenues	12,390,915	40,812	12,431,727	-	12,431,727
<u>Operating expenses:</u>					
BBH funded programs:					
Children	3,885,306	-	3,885,306	-	3,885,306
Elders	325,537	-	325,537	-	325,537
Vocational	223,383	-	223,383	-	223,383
Multi-Service	1,602,244	-	1,602,244	-	1,602,244
Acute Care	829,224	-	829,224	-	829,224
Independent Living	1,683,005	-	1,683,005	-	1,683,005
Assertive Community Treatment	605,142	-	605,142	-	605,142
Non-Specialized Outpatient	1,856,821	-	1,856,821	-	1,856,821
Non-BBH funded program services	427,299	15,435	442,734	-	442,734
Total program expenses	11,437,961	15,435	11,453,396	-	11,453,396
Administrative expenses	991,805	-	991,805	-	991,805
Total expenses	12,429,766	15,435	12,445,201	-	12,445,201
Change in net assets from operations	(38,851)	25,377	(13,474)	-	(13,474)
<u>Non-operating expenses:</u>					
Fair value loss on interest rate swap	(185,205)	-	(185,205)	-	(185,205)
Change in net assets	(224,056)	25,377	(198,679)	-	(198,679)
Net assets, beginning of year	2,366,020	133,262	2,499,282	-	2,499,282
Net assets, end of year	<u>\$ 2,141,964</u>	<u>\$ 158,639</u>	<u>\$ 2,300,603</u>	<u>\$ -</u>	<u>\$ 2,300,603</u>

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Analysis of Accounts Receivable  
For the Year Ended June 30, 2017

	Accounts Receivable Beginning of <u>Year</u>	<u>Gross Fees</u>	Contractual Allowances and Other Discounts <u>Given</u>	<u>Cash Receipts</u>	Change in <u>Allowance</u>	Accounts Receivable End of <u>Year</u>
Clients	\$ 383,696	\$ 1,457,418	\$ (405,009)	\$ (1,126,070)	\$ -	\$ 310,035
Insurance companies	169,239	2,055,693	(931,737)	(1,156,412)	-	136,783
Medicaid	635,992	10,753,173	(1,784,385)	(9,110,540)	-	494,240
Medicare	164,112	716,136	(346,346)	(391,697)	-	142,205
Allowance	(271,488)	-	-	-	62,610	(208,878)
Total	<u>\$ 1,081,551</u>	<u>\$ 14,982,420</u>	<u>\$ (3,467,477)</u>	<u>\$ (11,784,719)</u>	<u>\$ 62,610</u>	<u>\$ 874,385</u>

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT  
Schedule of Program Revenues and Expenses  
For the Year Ended June 30, 2017

	<u>Children</u>	<u>Elders</u>	<u>Vocational</u>	<u>Multi- Service</u>	<u>Acute Care</u>	<u>Independent Living</u>	<u>Assertive Community Treatment</u>	<u>non- Specialized Outpatient</u>	<u>Other Non-BBH</u>	<u>Total Program Services</u>	<u>Admin- istrative</u>	<u>Total Agency</u>
<u>Public support and revenues:</u>												
Public support:												
Federal	\$ -	\$ -	-	-	-	731,723	-	12,480	-	\$ 744,203	-	\$ 744,203
State of New Hampshire - BBH	167,680	-	-	3,945	121,846	-	225,000	-	-	518,471	-	518,471
State and local funding	14,871	-	-	-	-	-	-	14,871	14,859	44,601	-	44,601
Other public support	5,249	85	63	525	189	32,083	154	65,918	1,223	105,489	271	105,760
Total public support	187,800	85	63	4,470	122,035	763,806	225,154	93,269	16,082	1,412,764	271	1,413,035
Revenues:												
Program service fees, net	5,111,287	295,640	182,618	2,864,494	387,144	1,565,021	545,424	522,813	40,502	11,514,943	-	11,514,943
Other service income	64,767	17,826	-	2,500	275,064	8,000	-	3,405	50,800	422,362	-	422,362
Rental income	821	-	-	1,514	821	821	-	821	-	4,798	-	4,798
Other	497	22	36	1,405	167	4,891	435	316	121	7,890	12,148	20,038
Total revenues	5,177,372	313,488	182,654	2,869,913	663,196	1,578,733	545,859	527,355	91,423	11,949,993	12,148	11,962,141
Total public support and revenues	5,365,172	313,573	182,717	2,874,383	785,231	2,342,539	771,013	620,624	107,505	13,362,757	12,419	13,375,176
Total expenses	4,852,532	265,821	250,721	2,539,805	812,754	2,045,662	739,291	1,494,463	162,390	13,163,439	-	13,163,439
Change in net assets from operations	512,640	47,752	(68,004)	334,578	(27,523)	296,877	31,722	(873,839)	(54,885)	199,318	12,419	211,737
<u>Non-operating expenses:</u>												
Fair value gain on interest rate swap	-	-	-	-	-	-	-	-	-	-	148,152	148,152
Change in net assets	\$ 512,640	\$ 47,752	\$ (68,004)	\$ 334,578	\$ (27,523)	\$ 296,877	\$ 31,722	\$ (873,839)	\$ (54,885)	\$ 199,318	\$ 160,571	\$ 359,889

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT  
Schedule of Program Expenses  
For the Year Ended June 30, 2017

	<u>Children</u>	<u>Elders</u>	<u>Vocational</u>	<u>Multi-Service</u>	<u>Acute Care</u>	<u>Independent Living</u>	<u>Assertive Community Treatment</u>	<u>non-Specialized Outpatient</u>	<u>Other Non-BBH</u>	<u>Total Program Services</u>	<u>Administrative</u>	<u>Total Agency</u>
Personnel costs:												
Salaries and wages	\$ 3,015,378	\$ 146,698	\$ 130,543	\$ 1,658,638	\$ 553,064	\$ 779,875	\$ 419,846	\$ 971,052	\$ 64,333	\$ 7,739,427	\$ 708,667	\$ 8,448,094
Employee benefits	556,580	48,289	51,854	279,012	60,790	235,935	100,364	164,749	14,475	1,512,048	135,073	1,647,121
Payroll taxes	213,573	10,584	8,962	121,568	40,986	55,316	30,352	70,281	4,600	556,222	47,730	603,952
Accounting/audit fees	18,796	1,678	1,236	10,379	3,726	7,049	3,038	4,689	1,351	51,942	9,915	61,857
Advertising	3,053	206	202	1,575	628	1,041	598	726	166	8,195	702	8,897
Conferences, conventions and meetings	8,846	370	346	4,079	749	1,345	2,146	2,681	276	20,838	11,992	32,830
Depreciation	72,763	6,499	4,792	40,174	14,419	27,286	11,757	18,146	5,235	201,071	20,764	221,835
Equipment maintenance	4,015	359	264	2,216	796	1,505	649	1,001	289	11,094	1,146	12,240
Equipment rental	19,464	1,131	819	8,067	4,358	4,725	2,010	5,730	935	47,239	3,755	50,994
Insurance	25,117	2,244	1,654	16,391	4,978	9,420	4,059	6,264	1,808	71,935	7,568	79,503
Interest expense	35,753	3,195	2,356	19,742	7,086	13,406	5,777	8,918	2,571	98,804	15,153	113,957
Legal fees	12,259	1,095	807	6,768	2,429	4,597	3,931	3,057	882	35,825	3,498	39,323
Membership dues	17,624	1,265	925	8,769	3,100	5,404	2,995	5,696	1,160	46,938	8,670	55,608
Occupancy expenses	141,978	3,110	2,309	35,587	8,584	590,404	8,846	47,736	2,555	841,109	10,283	851,392
Office expenses	73,270	4,176	5,002	28,974	11,265	28,881	19,254	21,067	3,546	195,435	20,893	216,328
Other expenses	5,159	329	258	4,128	730	2,310	821	1,999	1,420	17,154	12,015	29,169
Other professional fees	106,847	9,396	7,340	58,509	21,009	41,657	17,534	26,502	8,653	297,447	58,786	356,233
Program supplies	32,379	1,574	3,349	12,847	6,689	9,436	13,439	9,355	34,651	123,719	10,843	134,562
Travel	88,078	1,623	6,953	12,184	103	56,768	30,690	1,130	45	197,574	1,970	199,544
	<u>4,450,932</u>	<u>243,821</u>	<u>229,971</u>	<u>2,329,607</u>	<u>745,489</u>	<u>1,876,360</u>	<u>678,106</u>	<u>1,370,779</u>	<u>148,951</u>	<u>12,074,016</u>	<u>1,089,423</u>	<u>13,163,439</u>
Administrative allocation	401,600	22,000	20,750	210,198	67,265	169,302	61,185	123,684	13,439	1,089,423	(1,089,423)	-
Total program expenses	<u>\$ 4,852,532</u>	<u>\$ 265,821</u>	<u>\$ 250,721</u>	<u>\$ 2,539,805</u>	<u>\$ 812,754</u>	<u>\$ 2,045,662</u>	<u>\$ 739,291</u>	<u>\$ 1,494,463</u>	<u>\$ 162,390</u>	<u>\$ 13,163,439</u>	<u>\$ -</u>	<u>\$ 13,163,439</u>

**BOARD OF DIRECTORS FY2018**

**Ron Lague  
Chairperson**

|

**Elizabeth Roth  
Vice Chair**

|

**Judi Ryan  
Secretary**

|

**Philip Plante**

|

**Jeffrey Rind, MD**

**Gail Corcoran**

**Vic Topo  
President & CEO**

|

**Vernon Thomas**

**Susan Davis**

**David Hebert**

|

**James Morgan**

|

**Myhanh Nguyen, MD**

|

**Maria Gudinas**

|

# VICTOR TOPO

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## President/Chief Executive Officer

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Successful 32-year career as clinician, manager and CEO in community mental health organizations located in Ohio and New Hampshire. Proven ability to lead board and staff with a persistent focus on mission and achieving results. Talent for exploring new and innovative approaches to delivering traditional and non-traditional behavioral health care. Possess wide range of knowledge and experience with all service populations, especially vulnerable persons at high risk. Strengths include:

- Operations
- Reorganization and reinvention
- Team building and leadership
- Strategic planning
- Collaboration
- Strategic partnerships
- Strong relationship with funders
- Community building
- Innovation

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## Professional Experience

**Center for Life Management – Derry, NH**

**1999 – Present**

**President/Chief Executive Officer**

Recruited to manage 501(c) 3 comprehensive community mental health center and its title holding 501(c) 2 corporation, entitled West Rock Endowment Association including two residential facilities.

Key results:

- Restructured senior management increasing direct reports from three to six.
- Revenues increased from 6.5 million to 13 million.
- Established closer connection with surrounding community utilizing aggressive public relations strategy while also rebranding CLM in 2004.
- Guided Board of Directors towards more accountability including higher expectation from management and individual board members.
- Initiated and implemented Corporate Compliance Program, including selection of corporate compliance officer
- Increased year after year number of persons served starting with 3,400 to nearly 6,000.
- Created and implemented strategy to integrate behavioral health care with physician healthcare. Integrated behavioral health services into two Primary Care/Pediatric Practices and two Specialty Practices in Southern New Hampshire.
- Consolidated outpatient offices toward design and construction of new state of the art 26,000 square foot facility. Received national awards for design and use of new facility.
- Provided leadership and vision to oversee the development and implementation of an Electronic Health Record (EHR) called webAISCE. Software now includes e-prescribing and has begun acquiring Meaningful Use dollars with regular upgrades over course of fifteen years.
- Adopted Neurostar Transcranial Magnetic Stimulation (TMS) in 2010 as newest neuro tech treatment for treatment resistant Major Depressive Disorder. First free standing community mental health center in the U.S. to offer it.

**Pathways, Inc. – Mentor, OH**

**1988 - 1999**

**Chief Executive Officer/Executive Director**

Started with managing a small single purpose case management agency with revenues of \$486,000 and over 11 years grew revenues to 4 million by expanding services to chronically mentally ill consumers. Created senior management team and strengthened Board of Directors utilizing shared



## VICTOR TOPO

-Page 2-

### Key results:

- In collaboration with mental health board designed one of Ohio's first 24 hour 7 days a week in-home crisis stabilization program called C.B.S. (Community Based Stabilization).
- Assumed leadership role in transitioning 32 long-term patients back to our community.
- Positioned organization every year to competitively bid on ever/service provided and be awarded the service contract. Expanded wide range of services that include psychiatry, counseling, emergency services and housing.
- Created county's only Atypical Neuroleptic Medication Program (e.g. Clozaril).
- Pathways' first long range strategic plan in 1992.
- Increased Medicaid revenue from \$38,000 in 1989 to \$431,210 in 1997.

### Community Counseling Center – Ashtabula, OH

1983-1988

#### Case Management Supervisor/Case Manager

Provided direct services and supervision for services to severely mentally disabled persons in the community. Partnered with local private hospital as well as state hospital.

#### Key results:

- Transitioned consumers back into supervised and independent living.
- Recruited, trained and managed staff of five case managers.
- Designed and implemented agency's first case management program.

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## EDUCATION

### Master of Social Work (MSW)

West Virginia University, Morgantown, WV

### Bachelor of Arts (BA)

Siena College, Loudonville, NY

### Associate of Applied Science (AAS)

Fulton-Montgomery Community College, Johnstown, NY

## BOARD/LEADERSHIP POSITIONS

**Heritage United Way – Board of Directors**

**Mental Health Commission – Co-Chair**

Consumers and Families Work Group

**Statewide Evidenced Based Practice Committee – Co-Chair**

**Greater Salem Chamber of Commerce – Board of Directors**

**Behavioral Health Network – Board of Directors**

**Greater Derry/Londonderry Chamber of Commerce – Board of Directors**

**Greater Derry/Salem Regional Transportation Council (RTC) -**

Chairman, Board of Directors, Derry, NH

**Greater Salem Leadership Program – Graduate, Class of 2001**

## Michael J. Bergeron

### PROFESSIONAL PROFILE:

- Thirty-five plus years of extensive clinical background and skills combined with proven administrative and financial management experience. Reputation for high integrity, loyalty, dependability, hard work, dedication, attention to detail, and goal achievement. Proven history of successful program development.

### EXPERIENCE:

**CLM Center for Life Management, Salem, NH** 9/99--Present

**Vice President, Chief Financial Officer**

- Executive/administrative responsibility for Finance, Accounting, Accounts Receivable, Accounts Payable, Payroll, and Facilities/Operations. Primary responsibilities for fiscal management and reporting and regulatory compliance, budget development, monitoring and management, state & vendor contracting, employee benefits negotiations, facilities management and financing, board reporting, and lender relations.

**CLM Center for Life Management, Salem, NH** 11/87--9/99

**Director, Case Management Services**

- Complete administrative, operational, and supervisory responsibility for the initial development and ongoing management of discrete case management services within the context of a multi-disciplinary treatment team model of community support programs. Led the expansion of this service to all populations, and guided transformation from a fully funded to a revenue generating service with \$1.4 million of annual billing and significant budget surpluses. Assisted with the design and development of customized network database system for case management and clinical desk top applications. Responsible for State audits resulting in ninety-five plus percent contract compliancy ratings. Member of management council, budget committee, strategic planning group, mission statement work group, communication committee, TBS TQM initiative, and invited by the Board to the CEO search committee.

**Hampstead Hospital,, Hampstead, NH** 10/76--10/87

**Senior Psychiatric Counselor**

- Provided individual, group, and family counseling as well as milieu management services and staff training. Instrumental in the expansion of the counseling role and responsibility. Appointed senior counselor by the Medical Director in recognition of this initiative and overall performance.

**Prudential Insurance Company, Lawrence, MA** 9/75—10/76

**Special Agent**

- Sales and marketing of complete insurance portfolio including life, health, property-casualty, and retirement.

**Raytheon Company, Andover, MA** 5/73—3/75

**Government Property Coordinator**

- Management of utilization and disposition of government property, facilities, tooling, and test equipment in accordance with contract stipulations.

**Holy Family Hospital, Methuen, MA** 6/70—6/72

**Psychiatric Counselor**

- Provided individual, group, and family counseling. Assisted with other indicated medical procedures such as electroconvulsive therapy, and participated in milieu management and activities.

**EDUCATION:**

- New Hampshire College, Graduate School of Business, Manchester, NH  
M.B.A. Degree 1987
- Fitchburg State College, Graduate School of Guidance and Counseling, Fitchburg, MA  
18 Graduate Hours in Counseling 1973
- Nathaniel Hawthorne College, Antrim, NH  
B.A. Degree 1971

**LICENSES AND PROFESSIONAL AFFILIATIONS:**

- Licensed Certified Social Worker, Massachusetts License #3028-2-051-181
- Member in Good Standing National Association of Social Workers

## ISABEL NORIAN, MD

CENTER FOR LIFE MANAGEMENT  
10 TSIENNETO ROAD., DERRY, NH 03038  
603.434.1577

### EDUCATION

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- 7/01-6/05 University of Connecticut Farmington, CT  
*Psychiatry Resident.* Outpatient Chief Resident. President, Resident's Council.  
Residency Training Committee. Psychotherapy Training Committee. Presenter,  
Grand Rounds.
- 9/99-5/01 University of St. Eustatius St. Eustatius, Netherlands-Antilles  
*Doctor of Medicine.* All clinical rotations completed in the United States.
- 9/97-8/99 Saba University School of Medicine Saba, Netherlands-Antilles  
*Candidate for Doctor of Medicine.* Completed the basic sciences.
- 9/93-6/97 Harvard/Radcliffe College Cambridge, MA  
*Bachelor of Arts, Cum Laude.* Germanic Languages and Literature, pre-medicine  
studies.
- 9/96-12/96 Uppsala University Uppsala, Sweden  
*Undergraduate student.* Swedish Language and Literature.
- 9/89-6/93 Quabbin Regional High School Barre, MA  
*Valedictorian. National Honor Society.*

### WORK EXPERIENCE

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- 7/13-present Center for Life Management Derry, NH  
*Medical Director.* Clinical responsibilities primarily in providing medication  
management services in the outpatient clinic setting. Administrative  
responsibilities as medical director, including supervision of medical staff.  
Certified in Transcranial Magnetic Stimulation. Clinical preceptorship of APRN  
student from Rivier University.
- 7/09-6/13 UVM College of Medicine/Fletcher Allen Health Care Burlington, VT  
7/09-6/13 *Assistant Professor of Psychiatry.* Full-time faculty and medical staff.  
7/09-6/13. *Attending psychiatrist,* inpatient psychiatry service. Most work  
done on the secure, high-acuity inpatient psychiatry unit.  
Starting 12/12, providing part-time coverage (coupled with  
coverage at the Seneca Center).

- 12/12-6/13 *Attending psychiatrist*, partial hospitalization program and intensive outpatient program (Seneca Center). Providing part-time coverage (coupled with coverage on the inpatient service).
- 4/12-6/13 *Director of Medical Student Education*, Department of Psychiatry. *Psychiatry Clerkship Director*, UVM College of Medicine. Chair of the Medical Student Education Committee (Dept of Psychiatry). Member of the: Education Policy Committee (Dept of Psychiatry), Residency Training Committee (Dept of Psychiatry), Clerkship Directors' Committee (UVM College of Medicine).
- 6/08-6/09 Danbury Hospital Danbury, CT  
*Attending psychiatrist*. Adult inpatient unit. Clinical instruction of New York Medical College residents and medical students, St. George's University medical students, and Quinnipiac University physician assistant students. Member, Pharmacy and Therapeutics Committee.
- 10/06-6/08 Hall-Brooke Behavioral Health Services Westport, CT  
*Attending Psychiatrist*. Adult inpatient unit. Pharmacy and Therapeutics Committee. Staff privileges at St Vincent's Medical Center in Bridgeport, CT.
- 10/05-10/06 Arbour Hospital Boston, MA  
*Attending Psychiatrist*. Adult inpatient units and Crisis Intervention Services.

#### **MEDICAL LICENSURE**

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Current licensure: New Hampshire

Past licensure: Connecticut, Maine, Vermont, Massachusetts, New York

#### **BOARD CERTIFICATION**

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9/9/11 American Board of Psychiatry and Neurology (Certificate No. 63019)

#### **PROFESSIONAL MEMBERSHIP**

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- 2008-present American Psychiatric Association
- 2008-2005 Connecticut Psychiatric Society
- 2003-2004 Area 1 MIT Deputy Representative, Assembly of the APA
- 2004-2005 Area 1 MIT Representative, Assembly of the APA
- 2005-2006 Massachusetts Psychiatric Society
- 2005-2011 Committee on Bylaws, Assembly of the APA
- 2006-2009 Connecticut Psychiatric Society
- 2009-2013 Vermont Medical Society
- 2012-present Association of Directors of Medical Student Education in Psychiatry (ADMSEP)
- 2013-present New Hampshire Deputy Rep for Area 1, Assembly of the APA
- 2013-present New Hampshire Psychiatric Society (Board Member)
- 2014-present American Association of Community Psychiatrists
- 2015-present Chairperson, Assembly Committee on Public & Community Psychiatry, APA
- 2015 House Bill 564 Work Group (addressing Prior Authorizations for Managed Medicaid)

# Steve Arnault

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**Objective** To obtain a position where I can maximize my multilayer of management skills, quality assurance, program development, experience as an educator, customer service, and a successful track record in the health care environment.

## Professional Experience

Lead **Healthcare Systems Align, LLC**  
Nottingham, NH 1/2010 – Present

[Healthcare Systems Align.com](http://Healthcare Systems Align.com)

- Provide consultation to agencies, medical practices and practitioners to establish systems of integrated healthcare that includes practice patterns, billing strategies, quality and compliance strategy, policy development, outcome measurement and supervision.

VP of Quality, Compliance **Center for Life Management, Derry, NH** 1/2009 - Present  
[www.centerforlifemanagement.org](http://www.centerforlifemanagement.org)

- Senior management position in mental health center serving 6000 consumers  
Responsibilities include development, implementation and monitoring of strategies and systems to continuously improve the quality of services to consumers. Assure compliance to state and federal regulations.
- Develop and maintain systems to assure fidelity to evidence based practices.
- Continuous development of EMR and associated staff training.
- Establish and maintain outcome measures and their incorporation into QI/UR initiatives.
- Develop and implement projects to improve the quality of care.
- Chair of agency Safety Committee.

Director, Behavioral Health **Portsmouth Regional Hospital** 1/2006 - 12/2009  
Services Portsmouth, NH

- Responsible for clinical, administrative and fiscal management of service line which includes 22 bed inpatient psychiatric unit, Psychiatric Assessment and Referral Service and interdepartmental service. Supervision of an Assistant Director and Coordinator, Responsible for 85 staff. Oversee the integration of behavioral health into primary care. Manage annual budget of 10.5 million dollars.
- Chair Directors Operations Meeting. Coordinate monthly meeting of hospital departmental directors.
- Co-chair of Patient Flow Committee. Analysis and development of data systems to monitor patient throughput. Develop and implement strategies to improve the efficiency of care.

# Steve Arnault

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Assistant Director of Behavioral Health Services      **Portsmouth Regional Hospital**  
Portsmouth, NH      4/2005 – 1/2006

- Responsible for the clinical and administrative functioning of the Psychiatric assessment and Referral Service (PARS). Manage annual budget of 600K.
- Supervision of 22 clinicians who provide psychiatric crisis assessments, admissions, intake and referral 24 hours a day.
- Supervision, oversight and development of the Interdepartmental Service: 3 clinicians who provide psychiatric assessment, consultation and therapy to patients admitted medically to the hospital.

Director of Adult Services      **Community Partners; Dover, NH**      11/2001 – 4/2005

- Responsible for the clinical, administrative and financial operations of the Adult Outpatient Therapy, EAP, Admissions, Emergency Services, Geriatric and Acute Service programs (PHP/IOP) serving Strafford County. Supervised 4 managers responsible for 26 staff. Manage annual budget of 3 million dollars.

Clinical Director of Community Support Prog.      **Riverbend Community Mental Health Ctr**  
Concord, NH      9/2000 – 11/2001

- Responsible for the clinical, administrative and fiscal operations of programs serving 554 consumers with severe and persistent mental illness. Directly supervise 5 managers responsible for 60 staff. Development and oversight of annual budget of 4 million dollars.

Treatment Team Coordinator      **Riverbend Community Mental Health Ctr**  
Concord, NH      8/1996 – 9/2000

- Clinical and administrative supervision of a multidisciplinary team of 12 direct care staff. Serving an average of 100 individuals with severe and persistent mental illness.

Team Leader      **Strafford Guidance Center; Dover, NH**      1/1993 – 8/1996

- Clinical and administrative supervision of 8 direct care staff. Serving an average of 80 individuals with severe and persistent mental illness.
- Developed the first interagency treatment team to serve individuals with severe and persistent mental illness and developmental disabilities in NH.

Clinical Case Manager      **Strafford Guidance Center; Dover, NH**      1/1992 – 12/1993

- Provided psychotherapy and case management services to individuals with severe and persistent mental illness and substance abuse issues as part of The Continuous Treatment Team study through Dartmouth College.

# Steve Arnault

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Assistant Director / Behavioral Specialist      **Residential Resources; Keene, NH**      1/1989 – 1/1992

- Directed all administrative, fiscal and clinical activities for 5 group homes and 3 supported living arrangements serving people with developmental disabilities. Provide behavioral consultation to individuals with behavioral/functional challenges.

Behavioral Specialist / Clinical Supervisor      **The Center for Humanistic Change**  
Manchester, NH      8/1986 – 1/1989

- Provide behavioral consultation to individuals facing behavioral/functional challenges in group homes, day programs, vocational and family settings. Supervised 2 clinicians.

House Manager      **Greater Lawrence Psychological Center**  
Lawrence, MA      6/1984 – 8/1986

- Administrative, clinical and financial management of a group home serving 4 men with severe and persistent mental illness.

## Teaching & Educational Experience

Adjunct Faculty      **New England College; Henniker, NH**      9/1994 - Present  
[www.nec.edu](http://www.nec.edu)

- Teach graduate and undergraduate courses in psychology, counseling, program development and evaluation

Director of Masters Degree Program in Mental Health Counseling      **New England College; Henniker, NH**      1/1998 – 3/2002

- Developed and implemented curriculum for degree program.
- Oversight of curriculum to insure quality, academic standards and student retention.
- Development and execution of marketing plan.
- Provided academic advising and mentoring to students.
- Faculty recruitment, supervision and monitoring of academic quality

Curriculum Consultant      **New England College; Henniker, NH**      Fall 2012 - Present

- Developed curricula for a certificate and C.A.G.S. in the integration of behavioral health into primary medicine.



# Steve Arnault

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- Curriculum Consultant      **Bruce Mast and Associates; Portsmouth, NH**      Fall 2008 –  
[www.bmaleadership.com](http://www.bmaleadership.com)      Spring 2010
- Co-authored Masters of Science Degree in Healthcare Transformative Leadership.
  - Marketed degree to colleges, worked with senior administrations toward implementation, wrote course descriptions for academic catalogues, recruited faculty.
  - Judge for BuisnessNH Magazine’s 10 Best Companies to Work For contest, 2010-2012. Lead Judge for last two years

## Education

Masters of Arts      **Antioch New England Graduate School**      1989  
Counseling Psychology      Keene, NH

Bachelor of Arts      **Plymouth State College; Plymouth, NH**      1984  
Psychology

## Community Service

Board      **SeaCare Health Services**      8/2012- Present  
July 2008-November 2009      [WWW.Seacarehealthservices.org](http://WWW.Seacarehealthservices.org)

## Publications

Hudgins, C., Rose, S., Fifield. P.Y., Arnault, S., (2014). The Ethics of Integration: Where Policy and Practice Collide. In Hodgson, J., Lamson, A., Mendenhall. T., Russell Crane, D. (eds) *Medical Family Therapy: Advanced Applications*. (First Edition, pp. 381-401) Dordrecht, Switzerland, Springer International Publishing.

Hudgins, C., Rose, S., Fifield. P.Y., Arnault, S., (2013). Navigating the ethical foundations of informed consent and confidentiality in integrated primary care. *Families, Systems, & Health*. 31, 9-19

Barry C. Quimby

**BARRY C. QUIMBY**

**Summary:** Over 18 years experience in community mental health and substance abuse treatment  
Vast experience in client advocacy to access mainstream benefits/gainful employment  
Knowledge of state/federal regulations and policies governing grant operations  
Knowledge of HUD housing/PATH outreach and program operations

**Experience:**

**Center for Life Management- Derry, New Hampshire** *June 2000-Present*

- **Program Manager for Housing Development:** Responsible for overseeing all HUD funding including the Shelter Plus Care housing assistance program. Foster relations with local landlords, Arrange for apartment inspections to meet HUD Quality Standards, Process and complete necessary file documentation, Advocate for clients within the program to obtain affordable housing, Serve as liaison to the local Housing Authority. Responsible for HMIS data entry, Annual renewals, APR submission, and Quarterly reports for all HUD contracts including Beaver Lake Lodge (A HUD funded residential program). Co-Chair to the New Hampshire Balance of State Continuum of Care (BOSCOC) (Nominated November 2007) Active participant of NH-HMIS Advisory Committee and NH HMIS Data Quality Committee. Successful recipient of a second Shelter Plus Care Good Samaritan grant involving three agencies participating in the NH BOSCOC in 2009. Successful recipient of NHH Transitional Housing funds for a Permanent Housing Program 2010.
- **PATH Homeless Outreach Supervisor:** Successful recipient of PATH funding to CLM. Responsible for overseeing all aspects of program funding for outreach to homeless individuals in Western Rockingham County. Provide outreach to identify homeless individuals suffering from mental illness and homelessness, link to community services for which said individuals are eligible and assist individuals engaged in obtaining mainstream benefits, housing, legal advocacy, and community Mental Health / Substance Abuse services. Assisted in the development of Bi-State Technical Assistance grant from SAMHSA to provide training for PATH providers on legal issues, advocacy, program improvement, and interstate collaboration to improve services provided to homeless individuals in New Hampshire and Vermont. Successfully initiated CLM as a pilot program in New Hampshire for PATH data entry into NH-HMIS.
- **Case Manager:** Responsible for the direct service planning as part of a multidisciplinary community support team. Provide Case Management and Functional Support Services to adult clients with mental illness. Consult with medical / clinical staff; Assist clients with identifying options for employment and assist with job placement and maintaining employment, Refer clients to community resources; Provide representative payee services; Promote independent functioning in the community to clients served; Provide staff training and orientation. Served as Dialectical Behavioral Therapy (DBT) skills group leader. Trained in DBT Therapy and active member of DBT consultation team. Serve on CLM's Safety Committee as well as CLM's Medicare Part D Committee. NH Hospital Liaison.

## Barry C. Quimby

Harbor Homes, Inc., Nashua, New Hampshire

November 1993-June 2000

- **Program Manager / Residential Coordinator:** Involved in all aspects of operating a housing and treatment program for 43 clients living in supported housing in the greater Nashua area, including policy and regulation adherence for a 14-bed HUD-funded program. Managed 6 full-time and 21 fee-for-service staff; Fostered relations with local affiliates; Improved the clinical sophistication of program. Implemented training programs, assisted with grant writing, and reduced staff turnover. *HUD certified.*
- **Fee-for-Service Counselor:** Worked 1:1 with clients to assist in overall treatment goals. Worked with administration and management to develop policies and procedures to enhance the day to day operations of the program. Created training packages to ensure the overall Counselor/Client relationship is more productive and measurable for both billing and therapeutic productivity.

American Training, Lowell, Massachusetts

April 1998-December 1998

- **Program Director:** Directed all aspects of operating a supported housing program for 27 individuals in the greater Lowell area, including supervision of middle management and direct-care staff, policy and regulation adherence, and fostering program relations with local affiliates.

South Middlesex Opportunity Council, Framingham, Massachusetts

April 1992-April 1998

- **Program Manager / Site Coordinator:** Managed all aspects of operating a group home and supported housing program for chronic mentally ill adults. Improved program by ensuring licensure and regulation adherence from Department of Mental Health; Created a results-oriented team atmosphere for program efficiency; Reduced the program budget deficit during 1996 fiscal year; Reduced the staff turnover ratio within component; Worked with local and area DMH agencies and affiliates to improve program relations and reputation.
- **Supported Housing Coordinator:** Coordinated all aspects of a supported housing program for four mentally ill individuals. Managed staff overseeing clients while increasing program client turnover to more independent living status; Improved client charting and documentation to ensure DMH licensure; Improved inter-staff communication to improve efficiency of treatment.
- **Residential Counselor:** Worked in a program that involved transitioning mentally ill individuals from a hospital setting into community living. Assisted in moving 25 clients from state hospital setting into group homes located in Metro-west area; Assisted two clients in gaining skills needed to move from group home into independent living within the community.

### Education:

Keene State College, Keene, New Hampshire

Graduated May 1991

- **Bachelor of Arts in Industrial / Social / Counseling Psychology**

Gained Independent Study laboratory experience as a **Research Assistant** organizing and administrating semantic-priming research studies at Keene State College. Responsibilities included designing experiments, testing subjects, collecting and analyzing data.

**KEY ADMINISTRATIVE PERSONNEL - SFY 2018**

**HUD FAMILY HOUSING I**

**Contractor Name:** The Mental Health Center for Southern New Hampshire dba CLM Center for Life Management

NAME	JOB TITLE	FTEs	SALARY	PERCENT PAID FROM THIS CONTRACT	AMOUNT PAID FROM THIS CONTRACT
Vic Topo	President/Chief Executive Officer	1	\$160,800	2.50%	\$4,020.00
Michael J. Bergeron	Vice President/Chief Financial Officer	1	\$133,600	2.50%	\$3,340.00
Isabel Norian, MD	Medical Director	0.75	\$162,200	5.00%	\$8,110.00
Steve Arnault	Vice President of Clinical Service & QA	1	\$118,800	3.50%	\$4,158.00
Barry Quimby	Homeless and Housing Manager	1	\$55,000	30.00%	\$16,500.00
			\$0	0.00%	\$0.00
<b>TOTAL SALARIES</b>					<b>\$36,128.00</b>

Subject: Continuum of Care, CLM Permanent Housing I, SS-2019-BHHS-03-Perma-04

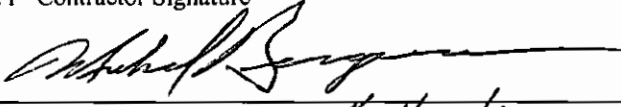
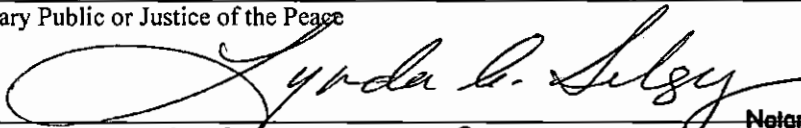
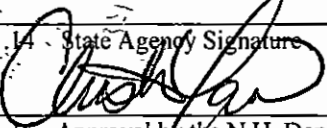
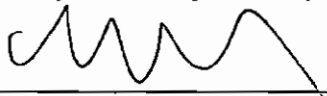
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**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 and Human Services Office of Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Center For Life Management		1.4 Contractor Address 10 Tsienneto Rd Derry, NH 03038	
1.5 Contractor Phone Number (603) 434-1577	1.6 Account Number 05-95-42-423010-7927 102-500731	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$295,790
1.9 Contracting Officer for State Agency E. Maria Reinemann, Esq. Director, Contracts and Procurement Unit		1.10 State Agency Telephone Number (603) 271-9330	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Michael Bergeron VP, Chief Financial Officer	
1.13 Acknowledgement: State of <u>New Hampshire</u> County of <u>Rockingham</u> On <u>June 6, 2018</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="border: 1px solid black; border-radius: 50%; padding: 2px;">[Seal]</div>  <div style="text-align: right;"> <b>LYNDA A. SLEGY</b>                      Notary Public - New Hampshire                      My Commission Expires August 5, 2019                 </div> </div>			
1.13.2 Name and Title of Notary or Justice of the Peace <u>Lynda A. Slegy</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Date: <u>6/6/18</u> <u>Christie Tapp, Associate Commissioner</u>	
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: <u>Megan A. G. / splr Attorney 4/2/18</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

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

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

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, 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.





Exhibit A

SCOPE OF SERVICES

Permanent Housing Program

1. Provisions Applicable to All Services

- 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.2. 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, through the Bureau of Housing Supports, has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. The Contractor shall submit a detailed description of the language assistance services they will provided to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date; submitted to:  
  
NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301
- 1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

2. Scope of Services

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) CoC Program, the Contractor shall provide a Permanent Housing, Permanent Supportive Housing or Rapid Re-Housing project which includes, but is not limited to:
  - 2.1.1. Utilization of the "Housing First" model, which shall at a minimum, not impose barriers to entering housing, beyond those required by regulation or statute, and will only terminate project participation for the most severe reasons once available options have been exhausted to help a participant maintain housing.  
  
"Housing First" details can be accessed at:  
<https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf>
  - 2.1.2. The development of a stabilization plan and crisis management plan with the participant, at intake and, at a minimum, annually. An ongoing Assessment of Housing and Supportive Services is required, with the ultimate goal being assistance to the participant in obtaining the skills necessary to live in the community independently.
  - 2.1.3. The CoC Program interim rule, 24 CFR Part 578, requires that all CoCs implement a Coordinated Entry System (CES) in collaboration with any projects funded by the CoC Program, ESG Program, and HOPWA Program.  
  
24 CFR Part 578 can be accessed at:  
[https://www.hudexchange.info/resources/documents/CoCProgramInterimRule\\_FormattedVersion.pdf](https://www.hudexchange.info/resources/documents/CoCProgramInterimRule_FormattedVersion.pdf)



Exhibit A

- 2.1.4. The subrecipient is required to comply with applicable civil rights laws, per CFR Section 578.93, addressing nondiscrimination and equal opportunity requirements. Section 578.93(a) states that the nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105 (a) apply. This includes, but is not limited to, the Fair Housing Act, Title VI of Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 (Section 504), and title II of the Americans with Disabilities Act.
- 2.1.5. The subrecipient must establish and maintain standard operating procedures for ensuring that CoC program funds are used in accordance with the requirements of 24 CFR 578 and must establish and maintain sufficient records to enable HUD and BHS to determine whether the subrecipient is meeting the requirements, including:
  - 2.1.5.1. Continuum of Care records: Each collaborative applicant must keep the following documentation related to establishing and operating a CoC;
  - 2.1.5.2. Evidence that the Board selected by the Continuum of Care meets the requirements of § 578.5(b);
  - 2.1.5.3. Evidence that the Continuum has been established and operated as set forth in subpart B of this part, including published agendas and meeting minutes, an approved Governance Charter that is reviewed and updated annually, a written process for selecting a board that is reviewed and updated at least once every five (5) years, evidence required for designating a single Homeless Management Information System (HMIS) for the Continuum, and monitoring reports of recipients and subrecipients; and
  - 2.1.5.4. Evidence that the Continuum has prepared the application for funds as set forth in § 578.9, including the designation of the eligible applicant to be the collaborative applicant.
- 2.2. Unified funding agency records (UFAs) that requested grant amendments from HUD, as set forth in § 578.105, must keep evidence that the grant amendment was approved by the Continuum. This evidence may include minutes of meetings at which the grant amendment was discussed and approved.
- 2.3. Homeless status. Acceptable evidence of homeless status is set forth in 24 CFR 576.500(b).
- 2.4. At risk of homelessness status. For those recipients and subrecipients that serve persons at risk of homelessness, the recipient or subrecipient must keep records that establish "at risk of homelessness" status of each individual or family who receives CoC homelessness prevention assistance. Acceptable evidence is found in 24 CFR 576.500(c).
- 2.5. Records of reasonable belief of imminent threat of harm. For each program participant who moved to a different CoC due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking under § 578.51(c)(3), each recipient or subrecipient of assistance under this part must retain:
  - 2.5.1. Documentation of the original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file. This may be written observation of the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; court records or law enforcement records; or written certification by the program participant to whom the violence occurred or by the head of household.
  - 2.5.2. Documentation of the reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking, which would include threats from a third-party, such as a friend or family member of the perpetrator of the violence. This may be written observation



Exhibit A

- by the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.
- 2.6. Annual income. For each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, the recipient or subrecipient must keep the following documentation of annual income:
- 2.6.1. Income evaluation form specified by HUD and completed by the recipient or subrecipient; and
  - 2.6.2. Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement) for the assets held by the program participant and income received before the date of the evaluation;
  - 2.6.3. To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period; or
  - 2.6.4. To the extent that source documents and third-party verification are unobtainable, the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the three (3) month period following the evaluation.
- 2.7. Program participant records. In addition to evidence of homelessness status or at-risk-of-homelessness status, as applicable, the recipient or subrecipient must keep records for each program participant that document:
- 2.7.1. The services and assistance provided to that program participant, including evidence that the recipient or Subrecipient has conducted an annual assessment of services for those program participants that remain in the program for more than a year and adjusted the service package accordingly, and including case management services as provided in § 578.37(a)(1)(ii)(F); and
  - 2.7.2. Where applicable, compliance with the termination of assistance requirement in § 578.91.
- 2.8. Housing standards. The recipient or subrecipient must retain documentation of compliance with the housing standards in § 578.75(b), including inspection reports.
- 2.9. Services provided. The recipient or subrecipient must document the types of supportive services provided under the recipient's program and the amounts spent on those services. The recipient or subrecipient must keep record that these records were reviewed at least annually and that the service package offered to program participants was adjusted as necessary.
- 2.10. Match. The recipient must keep records of the source and use of contributions made to satisfy the match requirement in § 578.73. The records must indicate the grant and fiscal year for which each matching contribution is counted. The records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.
- 2.11. Conflicts of interest. The recipient and its subrecipients must keep records to show compliance with the organizational conflict-of-interest requirements in § 578.95(c), the Continuum of Care board conflict-of-interest requirements in § 578.95(b), the other conflict requirements in §



Exhibit A

- 578.95(d), a copy of the personal conflict-of-interest policy developed and implemented to comply with the requirements in § 578.95, and records supporting exceptions to the personal conflict-of-interest prohibitions.
- 2.12. Homeless participation. The recipient or subrecipient must document its compliance with the homeless participation requirements under § 578.75(g).
  - 2.13. Faith-based activities. The recipient and its subrecipients must document their compliance with the faith-based activities requirements under § 578.87(b).
  - 2.14. Affirmatively Furthering Fair Housing. Recipients and subrecipients must maintain copies of their marketing, outreach, and other materials used to inform eligible persons of the program to document compliance with the requirements in § 578.93(c).
  - 2.15. Other federal requirements. The recipient and its subrecipients must document their compliance with the federal requirements in § 578.99, as applicable.
  - 2.16. Subrecipients and contractors.
    - 2.16.1. The recipient must retain copies of all solicitations of and agreements with subrecipients, records of all payment requests by and dates of payments made to subrecipients, and documentation of all monitoring and sanctions of subrecipients, as applicable.
    - 2.16.2. The recipient must retain documentation of monitoring subrecipients, including any monitoring findings and corrective actions required.
    - 2.16.3. The recipient and its subrecipients must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR part 84.
  - 2.17. Other records specified by HUD. The recipient and subrecipients must keep other records specified by HUD.
  - 2.18. Confidentiality. In addition to meeting the specific confidentiality and security requirements for HMIS data, the recipient and its subrecipients must develop and implement written procedures to ensure:
    - 2.18.1. All records containing protected identifying information of any individual or family who applies for and/or receives Continuum of Care assistance will be kept secure and confidential;
    - 2.18.2. The address or location of any family violence project assisted with Continuum of Care funds will not be made public, except with written authorization of the person responsible for the operation of the project; and
    - 2.18.3. The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with State and local laws regarding privacy and obligations of confidentiality;
  - 2.19. Period of record retention. All records pertaining to Continuum of Care funds must be retained for the greater of five (5) years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.
    - 2.19.1. Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for five (5) years after the expenditure of all funds from the grant under which the program participant was served; and
    - 2.19.2. Where Continuum of Care funds are used for the acquisition, new construction, or rehabilitation of a project site, records must be retained until fifteen (15) years after the date that the project site is first occupied, or used, by program participants.



Exhibit A

2.20. Access to records.

- 2.20.1. Federal Government rights. Notwithstanding the confidentiality procedures established under paragraph (2.18.) of this section, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the recipient and its subrecipients that are pertinent to the Continuum of Care grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period, but last as long as the records are retained.
- 2.20.2. Public rights. The recipient must provide citizens, public agencies, and other interested parties with reasonable access to records regarding any uses of Continuum of Care funds the recipient received during the preceding five (5) years, consistent with State and local laws regarding privacy and obligations of confidentiality and confidentiality requirements in this part.
- 2.21. Based on the continued receipt/availability of federal funds from HUD COC Program Competition Funding, the Contractor is targeted to serve a permanent housing program that serves twenty (20) homeless individuals and families.
- 2.22. The Contractor shall support the primary goal of this program which is to facilitate the movement of homeless and chronically homeless individuals and families to permanent housing and maximum self-sufficiency.
- 2.23. The Contractor shall maintain adherence to federal and state financial and confidentiality laws, and agrees to comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the 2017 NOFA Project Application approved by HUD.
- 2.24. The Contractor shall provide services according to HUD regulations as outlined in Public Law 102-550 and 24 CFR Part 578: Continuum of Care Program and other written HUD policies and directives as appropriate.

Public Law 102-550 can be accessed at:

<https://www.congress.gov/public-laws/102nd-congress>

The Electronic Code of Federal Regulations can be accessed at:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=2bfae50cb70b6febbaa82e6a7c0cf6b6b&mc=true&node=pt24.3.578&rgn=div5>

3. **Program Reporting Requirements**

- 3.1. The Contractor shall submit the following reports:
  - 3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the subrecipient is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.3 Exhibit A; and
  - 3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.  
NH HMIS policy can be accessed at:  
<http://www.nh-hmis.org>



Exhibit A

- 3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.
- 3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by BHS.
- 3.4. The Contractor shall cooperate fully with and answer all questions of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.

**4. Contract Administration**

- 4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with Contractor performance.
- 4.3. The Contractor shall inform BHS of any staffing changes within thirty (30) days of the change.
- 4.4. Contract records shall be retained for a period of five (5) years or as required by state or federal law, following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and BHS.



Exhibit B

**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**1. Permanent Housing Program**

1.1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement pursuant to Exhibit A, Scope of Services, the State agrees to pay the Vendor an amount not to exceed Form P-37, Block 1.8, Price Limitation and for the time period specified below.

1.1.1. This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund:	0%
Federal Funds:	100%
CFDA #:	14.267
Grant Number:	NH0014L1T001710
Federal Agency:	U.S. Department of Housing & Urban Development (HUD)
Program Title:	Continuum of Care, Permanent Housing Program
Total Amount Continuum of Care;	
July 1, 2018 – June 30, 2019: not to exceed \$295,790	
Funds allocation under this agreement for Continuum of Care Program;	
Administrative Expenses:	\$6,638
Rental Assistance:	\$244,152
Supportive Services:	<u>\$45,000</u>
Total program amount:	\$295,790

1.2. The Vendor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded vendor's current and/or future funding.

**2. Reports**

2.1. As part of the performance of the Project Activities, the Vendor covenants and agrees to submit the following:

2.1.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with 2 CFR part 200 which can be accessed at:

[https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State at the following address:

NH DHHS  
Bureau of Homeless & Housing Services  
129 Pleasant Street  
Concord, NH 03301

2.2. Where the Vendor is not subject to the requirements of 2 CFR part 200, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in

*[Handwritten Signature]*  
6/16/18



**Exhibit B**

"Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

**3. Project Costs: Payment Schedule; Review by the State**

- 3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Vendor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractor shall meet the requirements of 2 CFR part 200.
- 3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 578.87(c).
- 3.3. The Sub-recipient must match all grant funds, except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources. Cash match must be used for the cost of activities that are eligible under subpart D of 24 CFR 578.
- 3.4. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578, the State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of P.L. 102-550 and other applicable regulations.
  - 3.4.1. Payment of Project Costs shall be made through the utilization of funds as provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount and time period not to exceed as specified above in section 1.1.1. Exhibit B.
- 3.5. Schedule of Payments: Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Vendor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Vendor. The Vendor agrees to keep records of their activities related to Department programs and services, and shall provide additional financial information if requested by the State to verify expenses. Invoices shall be submitted promptly to the address listed above in section 2.1.1. Exhibit B.
- 3.6. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Vendor and all payments made to date. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Vendor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Vendor pursuant to this agreement are subject to recapture.

*[Handwritten Signature]*  
Date 6/6/18





**Exhibit B**

3.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.

**4. Use Of Grant Funds**

4.1. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.

4.2. Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

**5. Expense Eligibility**

5.1. Based on the continued receipt/availability of federal funds, the Vendor shall utilize Continuum of Care Program agreement value specified in Exhibit B of this agreement from the HUD Continuum of Care Program, for contract services.

**5.1.1. Operating Expenses**

5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.

5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

**5.1.2. Supportive Services**

5.1.2.1. Eligible supportive services costs must comply with all HUD regulations in 24 CFR 578.53. Eligible services are available to those individuals actively participating in the permanent housing program.

5.1.2.2. Eligible costs include:

5.1.2.3. mental health services;

5.1.2.4. case management services;

5.1.2.5. salaries of Vendor staff providing supportive services;

5.1.2.6. reasonable one-time moving costs (truck rental and hiring a moving company);

5.1.2.7. child-care costs for establishing and operating child care;

5.1.2.8. providing child-care vouchers for children from families experiencing homelessness (including providing meals, snacks and comprehensive and coordinated developmental activities);

5.1.2.9. education services;

5.1.2.10. employment assistance and job training skills;

*ARS*

*6/6/18*



Exhibit B

- 5.1.2.11. housing search and counseling services;
  - 5.1.2.12. legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing);
  - 5.1.2.13. outpatient health services; and
  - 5.1.2.14. transportation services and utility deposits.
  - 5.1.2.15. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.
- 5.1.3. Rental Assistance
- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
  - 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
  - 5.1.3.3. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
  - 5.1.3.4. Rental assistance will only be provided for a unit if the rent is reasonable. The Vendor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.
  - 5.1.3.5. The Vendor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits.
  - 5.1.3.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
  - 5.1.3.7. The Vendor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
  - 5.1.3.8. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and sub recipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid Re-Housing program component must be tenant based rental assistance.

*[Handwritten Signature]*  
*[Handwritten Date: 6/6/18]*



Exhibit B

- 5.1.3.9. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.1.3.10. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.1.3.11. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.
- 5.1.4. Administrative Costs
  - 5.1.4.1. Administrative costs include:
    - 5.1.4.2. preparing program budgets;
    - 5.1.4.3. schedules and amendments;
    - 5.1.4.4. developing systems for assuring compliance with program requirements;
    - 5.1.4.5. developing interagency agreements and agreements with sub recipients and Vendors to carry out program activities;
    - 5.1.4.6. preparing reports and other documents related to the program for submission to HUD;
    - 5.1.4.7. evaluating program results against stated objectives;
    - 5.1.4.8. travel costs incurred for official business in carrying out the program;
    - 5.1.4.9. administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services) and;
    - 5.1.4.10. other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).
- 5.1.5. Leasing: Leasing may include leasing one structure or leasing units scattered throughout a community.
  - 5.1.5.1. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Vendor.
  - 5.1.5.2. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.
  - 5.1.5.3. The Vendor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.
  - 5.1.5.4. Property damages may only be paid from money paid to the landlord for security deposits.
  - 5.1.5.5. The Vendor cannot lease a building that it already owns to itself.



**Exhibit B**

- 5.1.5.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
- 5.2. The Vendor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).
  - 5.2.1. The Vendor must match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.
  - 5.2.2. Match requirements are to be documented with each payment request.
- 5.3. The Vendor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 5. Expense Eligibility, Exhibit B. The Vendor must have written approval from the State prior to billing for any other expenses.
- 5.4. The Vendor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
- 5.5. The Vendor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.

**6. Vendor Financial Management System**

- 6.1. Fiscal Control: The Vendor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Vendor.
- 6.2. The Vendor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3.2, Payment of Project Costs and Section 3.3, Schedule of Payments, of this Agreement.

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6/6/18

Exhibit B-1 Budget

BUREAU OF HOMELESS & HOUSING SERVICES  
 CoC HOUSING PROGRAM  
 Payment Request Form  
 2017 NOFA

**For BHHS use only**  
 Vendor # 174116 - R001  
 Contract # 1057002                      Line # 1  
 Invoice: CLMPHI  
 Descript: NH0014L1T001710  
 Account: 010-042-7927-102-500731  
 add activities  
 Amount \$  
 Job #  
 Amount \$  
 Job #  
 Amount \$  
 Job #

Authorizing Signature (provider)

AMOUNT	INITIAL	DATE
\$ -	KS	
Amy O'Hara, Financial Manager		

Center for Life Management PH I 2017 NOFA		Billing Period:					
Operating year: 7-1-18 to 6-30-2019							
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
Activity Name	Activity Budget	Payments Processed Received	Matching funds Applied	Budgeted Balance Available	Requested This Invoice	Match applied this Invoice	New Available Balance
Rental Assistance	\$ 244,152.00			\$ 244,152.00			\$ 244,152.00
Supportive Services	\$ 45,000.00	\$ -		\$ 45,000.00	\$ -		\$ 45,000.00
Mental Health Services	\$ 39,600.00			\$ 39,600.00			\$ 39,600.00
Outreach	\$ 5,400.00			\$ 5,400.00			\$ 5,400.00
Administration	\$ 6,638.00			\$ 6,638.00			\$ 6,638.00
25% Match	\$ 75,607.00			\$ 75,607.00			\$ 75,607.00
Total HUD Funding	\$ 295,790.00	\$ -		\$ 295,790.00			\$ 295,790.00

Vendor Initials AKS  
 Date 6/6/18



**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

*[Handwritten Signature]*  
Date *6/16/18*





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



- 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.



**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.



**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.

Contractor Name:

June 6, 2018  
Date

Michael Bergero  
Name: Michael Bergero  
Title: VP, Chief Financial 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.

Contractor Name:

June 6, 2018  
Date

Michael Bergeron  
Name: Michael Bergeron  
Title: VP, Chief Financial Officer



**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

*[Handwritten Signature]*  
6/6/18



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.

Contractor Name:

Date June 6, 2018

  
Name: Michael Bergeron  
Title: VP, Chief Financial Officer





**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

Contractor Initials

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

*[Signature]*  
6/6/18

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.

Contractor Name:

June 6, 2018  
Date

  
Name: Michael Bergeron  
Title: VP, Chief Financial Officer

Exhibit G

Contractor Initials: MB

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

Date: 6/6/18



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Contractor Name:

June 6, 2018  
Date

Michael Bergeron  
Name: Michael Bergeron  
Title: VP, Chief Financial Officer



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.

*ASB*  
6/6/18



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 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



Exhibit I

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

**(6) Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.





Exhibit I

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

Department of Health and Human Services  
The State

*Christie Tappin*  
Signature of Authorized Representative

*Christie Tappin*  
Name of Authorized Representative

*Associate Commissioner*  
Title of Authorized Representative

*6/7/18*  
Date

CLM CENTER FOR LIFE MANAGEMENT  
Name of the Contractor

*Michael Bergeron*  
Signature of Authorized Representative

Michael Bergeron  
Name of Authorized Representative

VP, Chief Financial Officer  
Title of Authorized Representative

*June 6, 2018*  
Date



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

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

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

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

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

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

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

Contractor Name:

June 6, 2018  
Date

  
Name: Michael Bergeron  
Title: VP, Chief Financial Officer



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: 085573541
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: _____



DHHS Information Security Requirements

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A. Definitions

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

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

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

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



Exhibit K

DHHS Information Security Requirements

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

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

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

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

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

DHHS Information Security Requirements



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

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

**II. METHODS OF SECURE TRANSMISSION OF DATA**

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



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

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

### III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

#### A. Retention

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



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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

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





Exhibit K

DHHS Information Security Requirements

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



Exhibit K

DHHS Information Security Requirements

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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

*[Handwritten Signature]*  
*6/6/18*



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

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

## V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

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

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



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

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

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov

*MS*

*6/6/18*

# State of New Hampshire

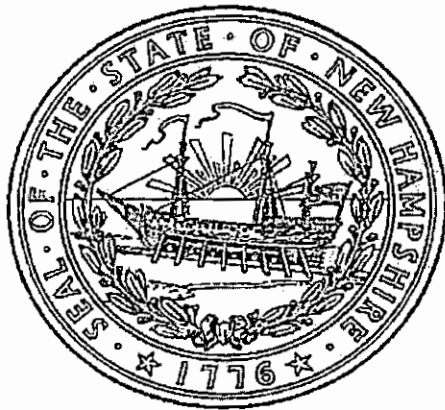
## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CLM CENTER FOR LIFE MANAGEMENT is a New Hampshire Trade Name registered to transact business in New Hampshire on June 30, 2003. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 442328

Certificate Number : 0004073368



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 2nd day of April A.D. 2018.

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

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

I, Judith Ryan, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

The Mental Health Center for Southern New Hampshire

1. I am a duly elected Officer of d/b/a CLM Center for Life Management.  
(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 June 6, 2018.  
(Date)

**RESOLVED:** That the Vice President, Chief Financial Officer  
(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 6 day of June, 2018.  
(Date Contract Signed)

4. Michael Bergeron is the duly elected VP, Chief Financial Officer  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Judith Ryan  
(Signature of the Elected Officer)

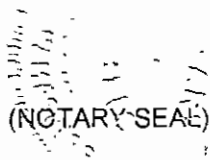
STATE OF NEW HAMPSHIRE

County of Rockingham

The forgoing instrument was acknowledged before me this 6 day of June, 2018.

By Judith Ryan  
(Name of Elected Officer of the Agency)

Lynda A. Silegy  
(Notary Public/Justice of the Peace)



Commission Expires: LYNDA A. SILEGY  
Notary Public - New Hampshire  
My Commission Expires August 5, 2019

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/07/2018

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 have ADDITIONAL INSURED provisions or 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 any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER: USI Insurance Services LLC, 3 Executive Park Drive, Suite 300, Bedford, NH 03110, 855 874-0123. CONTACT NAME, PHONE (A/C, No, Ext): 855 874-0123, FAX (A/C, No):, E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE, NAIC #, INSURER A: Philadelphia Indemnity Insurance Co. 18058, INSURER B: Granite State Insurance Company 23809, INSURER C:, INSURER D:, INSURER E:, INSURER F: INSURED: The Mental Health Center for Southern NH DBA CLM Center for Life Management, 10 Tsienneto Rd, Derry, NH 03038.

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

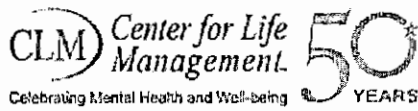
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE 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.

Table with columns: INSR LTR, TYPE OF INSURANCE, ADDL SUBR INSR, WVD, POLICY NUMBER, POLICY EFF (MM/DD/YYYY), POLICY EXP (MM/DD/YYYY), LIMITS. Rows include Commercial General Liability, Automobile Liability, Umbrella Liab, Workers Compensation and Employers' Liability, and Professional Liab.

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

CERTIFICATE HOLDER CANCELLATION

CERTIFICATE HOLDER: DHHS Dept Health & 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: See Hot



## **Our Mission & Vision**

### **OUR MISSION**

To promote the health and well-being of individuals, families and organizations.

We accomplish this through professional, caring and comprehensive behavioral health care services and by partnering with other organizations that share our philosophy.

### **OUR VISION**

Together, we can evolve from being primarily a treatment focused behavioral health organization to one that values whole health and wellness.



**THE MENTAL HEALTH CENTER FOR  
SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE  
MANAGEMENT AND AFFILIATES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
Years ended June 30, 2017 and 2016**

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Years ended June 30, 2017 and 2016

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Independent Auditor's Report

To the Board of Directors of  
The Mental Health Center for Southern New Hampshire  
d/b/a/ CLM Center for Life Management and Affiliates

We have audited the accompanying consolidated financial statements of The Mental Health Center for Southern New Hampshire d/b/a/ CLM Center for Life Management and Affiliates (a nonprofit organization), which are comprised of the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 The Mental Health Center for Southern New Hampshire d/b/a/ CLM Center for Life Management and Affiliates as of June 30, 2017 and 2016, 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.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 16-22 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.

*W. Schmitt, W. Schmitt & Assoc., PLLC*

Essex Junction, Vermont  
Registration number VT092.0000684  
October 25, 2017

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES

Consolidated Statements of Financial Position

June 30, 2017 and 2016

<u>ASSETS</u>		
	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 1,060,309	\$ 404,052
Accounts receivable, net	874,385	1,081,551
Other receivables	116,163	255,122
Prepaid expenses	93,249	62,043
Total current assets	<u>2,144,106</u>	<u>1,802,768</u>
Property and equipment, net	<u>3,819,751</u>	<u>4,008,852</u>
Total assets	<u>\$ 5,963,857</u>	<u>\$ 5,811,620</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Line of credit	\$ -	\$ 100,000
Current portion of long-term debt	86,038	83,538
Accounts payable	81,794	66,915
Accrued payroll and payroll liabilities	364,814	286,970
Accrued vacation	292,305	280,456
Accrued expenses	12,500	12,500
Deferred revenue	7,580	11,980
Total current liabilities	<u>845,031</u>	<u>842,359</u>
Long term liabilities		
Interest rate swap agreement	37,053	185,205
Long term-debt less current portion	<u>2,397,390</u>	<u>2,483,453</u>
Total long term liabilities	<u>2,434,443</u>	<u>2,668,658</u>
Total liabilities	3,279,474	3,511,017
Net assets - unrestricted	<u>2,684,383</u>	<u>2,300,603</u>
Total liabilities and unrestricted net assets	<u>\$ 5,963,857</u>	<u>\$ 5,811,620</u>

See notes to financial statements

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Consolidated Statements of Activities  
Years ended June 30, 2016 and 2015

	<u>2017</u>	<u>2016</u>
<u>Public support and revenues:</u>		
Public support:		
Federal	\$ 744,203	\$ 716,508
State of New Hampshire - BBH	518,471	488,364
State and local funding	44,601	41,400
Other public support	148,038	139,113
Total public support	1,455,313	1,385,385
Revenues:		
Program service fees, net	11,514,943	10,473,843
Other service income	422,362	453,289
Rental income	4,798	4,766
Other	20,038	19,679
Gain on sale of assets	-	94,765
Total revenues	11,962,141	11,046,342
Total public support and revenues	13,417,454	12,431,727
<u>Operating expenses:</u>		
BBH funded programs:		
Children	4,450,932	3,885,306
Elders	243,821	325,537
Vocational	229,971	223,383
Multi-Service	2,329,607	1,602,244
Acute Care	745,489	829,224
Independent Living	1,876,360	1,683,005
Assertive Community Treatment	678,106	605,142
Non-Specialized Outpatient	1,370,779	1,856,821
Non-BBH funded program services	167,338	442,734
Total program expenses	12,092,403	11,453,396
Administrative expenses	1,089,423	991,805
Total expenses	13,181,826	12,445,201
Change in net assets from operations	235,628	(13,474)
<u>Non-operating expenses:</u>		
Fair value loss on interest rate swap	148,152	(185,205)
Change in net assets	383,780	(198,679)
Net assets, beginning of year	2,300,603	2,499,282
Net assets, end of year	\$ 2,684,383	\$ 2,300,603

See notes to financial statements

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Consolidated Statements of Functional Expenses  
Years ended June 30, 2017 and 2016

	<u>2017</u>			<u>2016</u>		
	<u>Program Services</u>	<u>Administrative</u>	<u>Total</u>	<u>Program Services</u>	<u>Administrative</u>	<u>Total</u>
Personnel costs:						
Salaries and wages	\$ 7,739,427	\$ 708,667	\$ 8,448,094	\$ 7,300,706	\$ 595,952	\$ 7,896,658
Employee benefits	1,512,048	135,073	1,647,121	1,383,676	119,111	1,502,787
Payroll taxes	556,222	47,730	603,952	528,430	40,307	568,737
Accounting/audit fees	52,170	9,915	62,085	48,538	8,993	57,531
Advertising	8,195	702	8,897	11,419	790	12,209
Conferences, conventions and meetings	20,838	11,992	32,830	28,553	10,822	39,375
Depreciation	201,071	20,764	221,835	234,384	18,839	253,223
Equipment maintenance	11,094	1,146	12,240	12,309	1,134	13,443
Equipment rental	47,239	3,755	50,994	38,307	6,824	45,131
Insurance	71,935	7,568	79,503	73,732	7,195	80,927
Interest expense	98,804	15,153	113,957	79,489	30,727	110,216
Legal fees	35,825	3,498	39,323	31,433	2,757	34,190
Membership dues	46,938	8,670	55,608	46,845	8,975	55,820
Occupancy expenses	842,203	10,283	852,486	786,802	17,650	804,452
Office expenses	195,435	20,893	216,328	195,731	38,601	234,332
Other expenses	28,599	12,015	40,614	36,234	11,680	47,914
Other professional fees	303,067	58,786	361,853	326,771	56,157	382,928
Program supplies	123,719	10,843	134,562	125,794	12,945	138,739
Travel	197,574	1,970	199,544	164,243	2,346	166,589
	<u>12,092,403</u>	<u>1,089,423</u>	<u>13,181,826</u>	<u>11,453,396</u>	<u>991,805</u>	<u>12,445,201</u>
Administrative allocation	1,089,423	(1,089,423)	-	991,805	(991,805)	-
Total expenses	<u>\$ 13,163,439</u>	<u>\$ -</u>	<u>\$ 13,181,826</u>	<u>\$ 12,445,201</u>	<u>\$ -</u>	<u>\$ 12,445,201</u>

See notes to financial statements

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES

Consolidated Statements of Cash Flows  
Years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 383,780	\$ (198,679)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	240,772	253,223
Gain on sale of assets	-	(94,765)
Fair value (gain) loss on interest rate swap	(148,152)	185,205
(Increase) decrease in:		
Restricted cash	-	130,727
Accounts receivable, net	207,166	(122,723)
Other receivables	138,959	(79,821)
Prepaid expenses	(31,206)	(31,338)
Increase (decrease) in:		
Accounts payable and accrued expenses	104,572	(5,549)
Deferred revenue	(4,400)	4,400
Net cash provided by operating activities	891,491	40,680
Cash flows from investing activities:		
Proceeds from sale of property	-	379,371
Purchases of property and equipment	(32,734)	(58,629)
Finance costs	-	(85,748)
Net cash (used) provided by investing activities	(32,734)	234,994
Cash flows from financing activities:		
Net borrowing (payments) on line of credit	(100,000)	50,000
Net principal payments on long term debt	(102,500)	(569,503)
Net cash used in financing activities	(202,500)	(519,503)
Net increase (decrease) in cash and cash equivalents	656,257	(243,829)
Cash and cash equivalents, beginning of year	404,052	647,881
Cash and cash equivalents, end of year	\$ 1,060,309	\$ 404,052
<u>Supplemental cash flow disclosures:</u>		
Cash paid during the year for interest	\$ 113,957	\$ 155,926

See notes to financial statements



THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2017 and 2016

Note 1. Nature of organization

The Mental Health Center for Southern New Hampshire d/b/a CLM Center for Life Management (the "Agency") is a not-for-profit corporation, organized under New Hampshire law to provide services in the areas of mental health and related non-mental health programs.

During 2006, the Center for Life Management Foundation (the "Foundation") was established to act for the benefit of, to carry out the functions of, and to assist the Agency. It is affiliated with The Mental Health Center for Southern New Hampshire d/b/a CLM Center for Life Management through common board members and management. In addition, the Agency is the sole member.

The Mental Health Center for Southern New Hampshire d/b/a CLM Center for Life Management and the Center for Life Management Foundation are collectively referred to the "Organization".

Basis of consolidation

The consolidated financial statements include the accounts of The Mental Health Center for Southern New Hampshire d/b/a CLM Center for Life Management and its Affiliates and the Center for Life Management Foundation. All intercompany transactions have been eliminated in consolidation.

Note 2. Basis of accounting and summary of significant accounting policies

Basis of accounting

The financial statements are prepared on the accrual basis of accounting. Under this basis, revenues, other than contributions, and expenses are reported when incurred, without regard to date of receipt or payment of cash. Contributions are reported in accordance with FASB Accounting Standards Codification ("ASC") *Accounting for Contributions Received and Contributions Made*.

Basis of presentation

The Organization's financial statement presentation is required by the Not-for-Profit *Presentation of Financial Statements* topic of the FASB ASC. The Organization is required to report information regarding its financial position and activities according to the following three classifications of net assets based on the existence or absence of donor-imposed restrictions.

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2017 and 2016

Note 2. Basis of accounting and summary of significant accounting policies (continued)

At June 30, 2017 and 2016, the Organization had no temporarily or permanently restricted net assets.

General

The significant accounting policies of the Organization are presented to assist in understanding the Organization's financial statements. The financial statements and the notes are representations of the Organization's management. The Organization is responsible for the integrity and objectivity of the financial statements.

Use of estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Cash and cash equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash and cash equivalents. Cash equivalents include savings, money market accounts, and certificates of deposits.

Accounts receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management writes off accounts when they are deemed uncollectible and establishes an allowance for doubtful accounts for estimated uncollectible amounts. The Organization had an allowance for doubtful accounts of \$208,878 and \$271,488 as of June 30, 2017 and 2016, respectively. Refer to Note 3 for additional discussion of accounts receivable.

Property

Property is recorded at cost, except for donated assets which are recorded at estimated fair value at the date of donation. Depreciation is computed on the straight line basis over the estimated useful lives of the related assets as follows:

Buildings and improvements	15 – 40 years
Automobiles	3 – 15 years
Equipment	5 – 7 years

All equipment valued at \$500 or more is capitalized. Expenditures for repairs and maintenance are expensed when incurred and betterments are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related accumulated depreciation, and any gain or loss is recognized.

Depreciation expense was \$221,835 and \$236,342 for the years ended June 30, 2017 and 2016, respectively.

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2017 and 2016

Note 2. Basis of accounting and summary of significant accounting policies (continued)

Finance costs

Financing costs are recorded on the statement of position net of accumulated amortization. In accordance with Generally Accepted Accounting Principles, the unamortized financing costs are reported as a reduction in long term debt - see Note 6. The costs are amortized over the term of the respective financing arrangement.

Vacation pay and fringe benefits

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

Fair value measurements and financial instruments

The Company adopted FASB ASC 820, Fair Value Measurements and Disclosures, for assets and liabilities measured at fair value on a recurring basis. The codification established a common definition for fair value to be applied to existing generally accepted accounting principles that requires the use of fair value measurements, establishes a framework for measuring fair value, and expands disclosure about such fair value measurements.

FASB ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, FASB ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

The Organization's financial instruments consist primarily of cash, accounts receivables, accounts payable and accrued expenses. The carrying amount of the Organization's financial instruments approximates their fair value due to the short-term nature of such instruments. The carrying value of long-term debt approximates fair value due to their bearing interest at rates that approximate current market rates for notes with similar maturities and credit quality.

The Organization's interest rate swap agreements are classified as level 2 in the hierarchy, as all significant inputs to the fair value measurement are directly observable, such as the underlying interest rate assumptions.

Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Notes to Consolidated Financial Statements  
June 30, 2017 and 2016

Note 2. Basis of accounting and summary of significant accounting policies (continued)

All donor-restricted contributions received are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of support, revenues, and expenses as net assets released from restrictions.

Restricted contributions that meet the restriction in the same reporting period are reported as increases in unrestricted net assets.

Third-party contractual arrangements

A significant portion of revenue is derived from services to patients insured by third-party payers. Reimbursements from Medicare, Medicaid, and other commercial payers are at defined service rates for services rendered to patients covered by these programs are received. The difference between the established billing rates and the actual rate of reimbursement is recorded as an allowance when received. A provision for estimated contractual allowances is provided on outstanding patient receivables at the statement of financial position date.

Interest rate swap

The Organization uses an interest rate swap to effectively convert the variable rate on its State Authority Bond to a fixed rate, as described in Note 8. The change in the fair value of the swap agreement and the payments to or receipts from the counterparty to the swap are netted with the interest expense on the bonds. Cash flows from interest rate swap contracts are classified as a financing activity on the statement of cash flows.

Advertising expenses

The Organization expenses advertising costs as they are incurred.

Expense allocation

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

Income taxes

The Agency is a non-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Agency has also been classified as an entity that is not a private foundation within the meaning of 509(a) and qualifies for deductible contributions.

The Foundation is a non-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is an organization that is organized and operated exclusively for the benefit of the Agency.

These financial statements follow FASB ASC, *Accounting for Uncertain Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return.

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2017 and 2016

Note 2. Basis of accounting and summary of significant accounting policies (continued)

*Accounting for Uncertain Income Taxes* did not have a material impact on these financial statements as the Organization believes it has taken no uncertain tax positions that could have an effect on its financial statements.

Federal Form 990 (Return of an Organization Exempt from Income Tax) for fiscal years 2014, 2015 and 2016 are subject to examination by the IRS, generally for three years after filing.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified in order to be comparable with the current year presentation.

Subsequent events

The Organization has evaluated all subsequent events through October 25, 2017, the date the financial statements were available to be issued.

Note 3. Accounts receivable, net

Accounts receivable consist of the following at June 30,:

	<u>2017</u>			<u>2016</u>		
	Receivable			Receivable		
<u>Accounts receivable</u>	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Clients	\$ 310,035	\$ (161,421)	\$ 148,614	\$ 383,696	\$ (217,943)	\$ 165,753
Insurance companies	136,783	(3,018)	133,765	169,239	(7,370)	161,869
Medicaid	494,240	(29,656)	464,584	635,992	(29,718)	606,274
Medicare	<u>142,205</u>	<u>(14,783)</u>	<u>127,422</u>	<u>164,112</u>	<u>(16,457)</u>	<u>147,655</u>
	<u>\$1,083,263</u>	<u>\$ (208,878)</u>	<u>\$ 874,385</u>	<u>\$1,353,039</u>	<u>\$ (271,488)</u>	<u>\$ 1,081,551</u>

	<u>2017</u>	<u>2016</u>
<u>Other receivables</u>		
Towns	\$ 23,000	\$ 22,000
NH Division of Mental Health	64,982	104,925
Contractual services	28,181	75,473
Grant receivable	<u>-</u>	<u>52,724</u>
	<u>\$ 116,163</u>	<u>\$ 255,122</u>

Note 4. Concentrations of credit risk

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

	<u>2017</u>	<u>2016</u>
Receivables primarily for services provided to individuals and entities located in southern New Hampshire	\$ <u>874,385</u>	\$ <u>1,081,551</u>
Other receivables due from entities located in New Hampshire	\$ <u>116,163</u>	\$ <u>255,122</u>

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Notes to Consolidated Financial Statements  
June 30, 2017 and 2016

Note 4. Concentrations of credit risk (continued)

Bank balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to the prevailing FDIC limit. At June 30, 2017 and 2016, the Organization had approximately \$655,600 and \$18,000 in uninsured cash balances.

Note 5. Property

Property and equipment consists of the following at June 30:

	<u>2017</u>	<u>2016</u>
Land	\$ 565,000	\$ 632,418
Buildings and improvements	3,970,417	3,950,597
Automobiles	20,000	20,000
Equipment	<u>1,411,379</u>	<u>1,583,654</u>
	5,966,796	6,119,611
Less: accumulated depreciation	<u>(2,147,045)</u>	<u>(2,110,759)</u>
Property and equipment, net	<u>\$ 3,819,751</u>	<u>\$ 4,008,852</u>

Note 6. Long term debt

Long term debt consists of the following as of June 30,:

	<u>2017</u>	<u>2016</u>
Series 2015 New Hampshire Health and Education Facilities Bond - Payable through 2036, original principal of \$3,042,730, remarketed and sold to People's United Bank at a variable rate, with an effective rate of 2.17385% and 1.76409% at June 30, 2017 and 2016, respectively. Secured by land, building, equipment, and certain revenues, and is subject to certain financial covenants. The note matures August 2025. The Organization has entered into an interest rate swap agreement to effectively fix the interest rate on the note. See Note 8.	2,860,230	2,962,730
Less: unamortized finance costs	<u>(376,802)</u>	<u>(395,739)</u>
Long term debt, less unamortized finance costs	2,483,428	2,566,991
Less: current portion of long term debt	<u>(86,038)</u>	<u>(83,538)</u>
Long term debt, less current portion	<u>\$ 2,397,390</u>	<u>\$ 2,483,453</u>

In 2017, the Organization retroactively adopted the requirements of FASB ASC 835-30 to present debt issuance costs as a reduction of the carrying amount of debt rather than as an asset. Long term debt as of June 30, 2016 was previously reported on the consolidated statement of financial position as \$2,962,730 with the associated \$395,739 of unamortized finance costs included in other assets.

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
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Notes to Consolidated Financial Statements

June 30, 2017 and 2016

Note 6. Long term debt (continued)

Amortization of the finance costs is reported as interest expense in the financial statements. Amortization of \$18,937 and \$16,881 is reported as interest expense in the consolidated statement of activities for the years ending June 30, 2017 and 2016, respectively.

Future maturities to long term debt are as follows:

<u>Year ending June 30,</u>	<u>Long Term Debt Principal</u>	<u>Unamortized Finance Costs</u>	<u>Net</u>
2018	\$ 105,000	\$ (18,962)	\$ 86,038
2019	107,500	(18,962)	88,538
2020	112,500	(18,962)	93,538
2021	117,500	(18,962)	98,538
2022	122,500	(18,962)	103,538
Thereafter	<u>2,295,230</u>	<u>(281,992)</u>	<u>2,013,238</u>
Total	<u>\$ 2,860,230</u>	<u>\$ (376,802)</u>	<u>\$ 2,483,428</u>

Note 7. Line of credit

As of June 30, 2017, the Organization had a demand line of credit with People's United Bank with a borrowing capacity of \$850,000, which is available through March, 2018. Interest accrued on the outstanding principal balance is payable monthly at the Wall Street Journal Prime plus 1.50% (effective rate of 5.25% at June 30, 2017). The outstanding balance on the line at June 30, 2017 was \$0. The line of credit is secured by all business assets and real estate.

As of June 30, 2016, the Organization had a demand line of credit with People's United Bank with a borrowing capacity of \$850,000, which was available through September 30, 2016. Interest accrued on the outstanding principal balance is payable monthly at the Wall Street Journal Prime plus 1.50% (effective rate of 5.0% at June 30, 2016). The outstanding balance on the line at June 30, 2016 was \$100,000. The line of credit was secured by all business assets and real estate.

Note 8. Interest rate swap

During 2016, the Organization entered into an interest rate swap agreement with People's United Bank that effectively fixes the interest rate on the outstanding principal of the Banks term note at 3.045% (see Note 8).

Under the arrangement, the notional principal amount is the balance of the note, with the Organization receiving floating payments of one month London InterBank Offered rate ("LIBOR") plus .69% and paying a fixed rate of 3.045%.

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
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Notes to Consolidated Financial Statements  
June 30, 2017 and 2016

Note 8. Interest rate swap (continued)

The agreement matures August 2025 and has a notional amount of \$2,860,230 and \$2,962,730 at June 30, 2017 and 2016, respectively.

In accordance with Generally Accepted Accounting Principles, the interest rate swap agreement is recorded at its fair value as an asset or liability, with the changes in fair value being reported as a component of the change in unrestricted net assets. For the year ending June 30, 2017 and 2016, the Organization reported an interest rate swap liability of \$37,053 and \$185,205 on the statement of financial position and a fair value gain / (loss) of interest rate swap of \$148,152 and (\$185,205) on the statement of activities, respectively. The fair value gain / (loss) is reported as a non-operating expense of the Organization and is a non-cash transaction.

Note 9. Employee benefit plan

Discretionary matching contributions to a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code are contingent upon financial condition. This program covers eligible regular full-time and part-time employees who have successfully completed at least one year of employment and work at least 20 hours per week. Eligible employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. Employer contributions totaled \$94,737 and \$97,181 for the years ending June 30, 2017 and 2016, respectively.

Note 10. Commitments and contingencies

The Mental Health Center for Southern New Hampshire, d/b/a CLM Center for Life Management, has entered into an agreement with Parkland Medical Center ("PMC") of Derry, New Hampshire, effective June 1, 2013. The contract was temporarily extended through May 31, 2015 and subsequently renewed effective June 1, 2015 for a one year term with two one-year automatic renewal options. The second one-year automatic renewal was executed and the agreement expires May 31, 2018. The contract requires that CLM provide psychiatric services and consultations to inpatients of PMC for the hospital medical and nursing staff. The consultations are requested by the hospital and responded to by CLM medical staff on an on-call basis.

In addition to the psychiatric services, CLM provides emergency mental health assessments, evaluations, and referral services to the emergency department ("ED") of the hospital. CLM emergency service clinicians are available on a twenty-four hour, seven days a week basis to see patients entering the ED who are experiencing a mental health crisis or psychiatric emergency.

For the years ending June 30, 2017 and 2016, the Agency received approximately 67% and 62%, respectively, of its total revenue in the form of Medicaid reimbursements. Being a State of New Hampshire designated Community Mental Health Center affords the Agency Medicaid provider status. Annual contracting with New Hampshire Department of Health and Human Services-Bureau of Behavioral Health provides a base allocation of state general funds that can be taken as a grant or pledged in full or in part for leveraging matching federal Medicaid dollars.



THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2017 and 2016

Note 11. Lease commitments

The Agency leases facilities under various operating leases. Rent expense recorded under these arrangements was approximately \$141,000 and \$138,000 for the years ended June 30, 2017 and 2016, respectively.

The following details the future minimum lease payments on leases with an initial or remaining term of greater than one year as of June 30, 2017:

<u>Year ending June 30,</u>	
2018	\$ 136,028
2019	136,593
2020	144,983
2021	145,547
2022	<u>145,547</u>
Total	<u>\$ 708,698</u>

SUPPLEMENTARY INFORMATION

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Consolidating Statement of Position

June 30, 2017

Center for Life

CLM

Management

Foundation

Total

Eliminations

Consolidated

ASSETS

Current assets:

Cash and cash equivalents	\$ 877,779	\$ 182,530	\$ 1,060,309	\$ -	\$ 1,060,309
Accounts receivable, net	874,385	-	874,385	-	874,385
Other receivables	116,163	-	116,163	-	116,163
Prepaid expenses	93,249	-	93,249	-	93,249
Total current assets	<u>1,961,576</u>	<u>182,530</u>	<u>2,144,106</u>	<u>-</u>	<u>2,144,106</u>
Property and equipment, net	3,819,751	-	3,819,751	-	3,819,751
Total assets	<u>\$ 5,781,327</u>	<u>\$ 182,530</u>	<u>\$ 5,963,857</u>	<u>\$ -</u>	<u>\$ 5,963,857</u>

LIABILITIES AND NET ASSETS

Current liabilities:

Current portion of long-term debt	\$ 86,038	\$ -	\$ 86,038	\$ -	\$ 86,038
Accounts payable	81,794	-	81,794	-	81,794
Accrued payroll and payroll liabilities	364,814	-	364,814	-	364,814
Accrued vacation	292,305	-	292,305	-	292,305
Accrued expenses	12,500	-	12,500	-	12,500
Deferred revenue	7,580	-	7,580	-	7,580
Total current liabilities	<u>845,031</u>	<u>-</u>	<u>845,031</u>	<u>-</u>	<u>845,031</u>
Long term liabilities					
Interest rate swap agreement	37,053	-	37,053	-	37,053
Long-term-debt less current portion	2,397,390	-	2,397,390	-	2,397,390
Total long term liabilities	<u>2,434,443</u>	<u>-</u>	<u>2,434,443</u>	<u>-</u>	<u>2,434,443</u>
Total liabilities	<u>3,279,474</u>	<u>-</u>	<u>3,279,474</u>	<u>-</u>	<u>3,279,474</u>
Net assets - unrestricted	2,501,853	182,530	2,684,383	-	2,684,383
Total liabilities and unrestricted net assets	<u>\$ 5,781,327</u>	<u>\$ 182,530</u>	<u>\$ 5,963,857</u>	<u>\$ -</u>	<u>\$ 5,963,857</u>

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES

Consolidating Statement of Position

June 30, 2016

Center for Life

CLM

Management

Foundation

Total

Eliminations

Consolidated

ASSETS

Current assets:

Cash and cash equivalents	\$ 245,413	\$ 158,639	\$ 404,052	\$ -	\$ 404,052
Accounts receivable, net	1,081,551	-	1,081,551	-	1,081,551
Other receivables	255,122	-	255,122	-	255,122
Prepaid expenses	62,043	-	62,043	-	62,043
Total current assets	<u>1,644,129</u>	<u>158,639</u>	<u>1,802,768</u>	<u>-</u>	<u>1,802,768</u>
Property and equipment, net	4,008,852	-	4,008,852	-	4,008,852
Total assets	<u>\$ 5,652,981</u>	<u>\$ 158,639</u>	<u>\$ 5,811,620</u>	<u>\$ -</u>	<u>\$ 5,811,620</u>

LIABILITIES AND NET ASSETS

Current liabilities:

Line of credit	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000
Current portion of long-term debt	83,538	-	83,538	-	83,538
Accounts payable	66,915	-	66,915	-	66,915
Accrued payroll and payroll liabilities	286,970	-	286,970	-	286,970
Accrued vacation	280,456	-	280,456	-	280,456
Accrued expenses	12,500	-	12,500	-	12,500
Deferred revenue	11,980	-	11,980	-	11,980
Total current liabilities	<u>842,359</u>	<u>-</u>	<u>842,359</u>	<u>-</u>	<u>842,359</u>
Long term liabilities					
Interest rate swap agreement	185,205	-	185,205	-	185,205
Long-term-debt less current portion	2,483,453	-	2,483,453	-	2,483,453
Total long term liabilities	<u>2,668,658</u>	<u>-</u>	<u>2,668,658</u>	<u>-</u>	<u>2,668,658</u>
Total liabilities	<u>3,511,017</u>	<u>-</u>	<u>3,511,017</u>	<u>-</u>	<u>3,511,017</u>
Net assets - unrestricted	<u>2,141,964</u>	<u>158,639</u>	<u>2,300,603</u>	<u>-</u>	<u>2,300,603</u>
Total liabilities and unrestricted net assets	<u>\$ 5,652,981</u>	<u>\$ 158,639</u>	<u>\$ 5,811,620</u>	<u>\$ -</u>	<u>\$ 5,811,620</u>

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Consolidating Statement of Activities  
For the Year Ended June 30, 2017

	Center for Life <u>Management</u>	CLM <u>Foundation</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b><u>Public support and revenues:</u></b>					
Public support:					
Federal	\$ 744,203	\$ -	\$ 744,203	\$ -	\$ 744,203
State of New Hampshire - BBH	518,471	-	518,471	-	518,471
State and local funding	44,601	-	44,601	-	44,601
Other public support	<u>105,760</u>	<u>42,278</u>	<u>148,038</u>	<u>-</u>	<u>148,038</u>
Total public support	1,413,035	42,278	1,455,313	-	1,455,313
Revenues:					
Program service fees, net	11,514,943	-	11,514,943	-	11,514,943
Other service income	422,362	-	422,362	-	422,362
Rental income	4,798	-	4,798	-	4,798
Other	<u>20,038</u>	<u>-</u>	<u>20,038</u>	<u>-</u>	<u>20,038</u>
Total revenues	<u>11,962,141</u>	<u>-</u>	<u>11,962,141</u>	<u>-</u>	<u>11,962,141</u>
Total public support and revenues	13,375,176	42,278	13,417,454	-	13,417,454
<b><u>Operating expenses:</u></b>					
BBH funded programs:					
Children	4,450,932	-	4,450,932	-	4,450,932
Elders	243,821	-	243,821	-	243,821
Vocational	229,971	-	229,971	-	229,971
Multi-Service	2,329,607	-	2,329,607	-	2,329,607
Acute Care	745,489	-	745,489	-	745,489
Independent Living	1,876,360	-	1,876,360	-	1,876,360
Assertive Community Treatment	678,106	-	678,106	-	678,106
Non-Specialized Outpatient	1,370,779	-	1,370,779	-	1,370,779
Non-BBH funded program services	<u>148,951</u>	<u>18,387</u>	<u>167,338</u>	<u>-</u>	<u>167,338</u>
Total program expenses	12,074,016	18,387	12,092,403	-	12,092,403
Administrative expenses	<u>1,089,423</u>	<u>-</u>	<u>1,089,423</u>	<u>-</u>	<u>1,089,423</u>
Total expenses	<u>13,163,439</u>	<u>18,387</u>	<u>13,181,826</u>	<u>-</u>	<u>13,181,826</u>
Change in net assets from operations	211,737	23,891	235,628	-	235,628
<b><u>Non-operating expenses:</u></b>					
Fair value gain on interest rate swap	<u>148,152</u>	<u>-</u>	<u>148,152</u>	<u>-</u>	<u>148,152</u>
Change in net assets	359,889	23,891	383,780	-	383,780
Net assets, beginning of year	<u>2,141,964</u>	<u>158,639</u>	<u>2,300,603</u>	<u>-</u>	<u>2,300,603</u>
Net assets, end of year	<u>\$ 2,501,853</u>	<u>\$ 182,530</u>	<u>\$ 2,684,383</u>	<u>\$ -</u>	<u>\$ 2,684,383</u>

See Independent Auditor's Report

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Consolidating Statement of Activities  
For the Year Ended June 30, 2016

	<u>Center for Life Management</u>	<u>CLM Foundation</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b><u>Public support and revenues:</u></b>					
<b>Public support:</b>					
Federal	\$ 716,508	\$ -	\$ 716,508	\$ -	\$ 716,508
State of New Hampshire - BBH	488,364	-	488,364	-	488,364
State and local funding	41,400	-	41,400	-	41,400
Other public support	98,301	40,812	139,113	-	139,113
Total public support	1,344,573	40,812	1,385,385	-	1,385,385
<b>Revenues:</b>					
Program service fees, net	10,473,843	-	10,473,843	-	10,473,843
Other service income	453,289	-	453,289	-	453,289
Rental income	4,766	-	4,766	-	4,766
Other	19,679	-	19,679	-	19,679
Gain on sale of assets	94,765	-	94,765	-	94,765
Total revenues	11,046,342	-	11,046,342	-	11,046,342
Total public support and revenues	12,390,915	40,812	12,431,727	-	12,431,727
<b><u>Operating expenses:</u></b>					
<b>BBH funded programs:</b>					
Children	3,885,306	-	3,885,306	-	3,885,306
Elders	325,537	-	325,537	-	325,537
Vocational	223,383	-	223,383	-	223,383
Multi-Service	1,602,244	-	1,602,244	-	1,602,244
Acute Care	829,224	-	829,224	-	829,224
Independent Living	1,683,005	-	1,683,005	-	1,683,005
Assertive Community Treatment	605,142	-	605,142	-	605,142
Non-Specialized Outpatient	1,856,821	-	1,856,821	-	1,856,821
Non-BBH funded program services	427,299	15,435	442,734	-	442,734
Total program expenses	11,437,961	15,435	11,453,396	-	11,453,396
Administrative expenses	991,805	-	991,805	-	991,805
Total expenses	12,429,766	15,435	12,445,201	-	12,445,201
Change in net assets from operations	(38,851)	25,377	(13,474)	-	(13,474)
<b><u>Non-operating expenses:</u></b>					
Fair value loss on interest rate swap	(185,205)	-	(185,205)	-	(185,205)
Change in net assets	(224,056)	25,377	(198,679)	-	(198,679)
Net assets, beginning of year	2,366,020	133,262	2,499,282	-	2,499,282
Net assets, end of year	<u>\$ 2,141,964</u>	<u>\$ 158,639</u>	<u>\$ 2,300,603</u>	<u>\$ -</u>	<u>\$ 2,300,603</u>

See Independent Auditor's Report

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT AND AFFILIATES  
Analysis of Accounts Receivable  
For the Year Ended June 30, 2017

	Accounts Receivable Beginning of <u>Year</u>	<u>Gross Fees</u>	Contractual Allowances and Other Discounts <u>Given</u>	<u>Cash Receipts</u>	Change in <u>Allowance</u>	Accounts Receivable End of <u>Year</u>
Clients	\$ 383,696	\$ 1,457,418	\$ (405,009)	\$ (1,126,070)	\$ -	\$ 310,035
Insurance companies	169,239	2,055,693	(931,737)	(1,156,412)	-	136,783
Medicaid	635,992	10,753,173	(1,784,385)	(9,110,540)	-	494,240
Medicare	164,112	716,136	(346,346)	(391,697)	-	142,205
Allowance	<u>(271,488)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,610</u>	<u>(208,878)</u>
Total	<u>\$ 1,081,551</u>	<u>\$ 14,982,420</u>	<u>\$ (3,467,477)</u>	<u>\$ (11,784,719)</u>	<u>\$ 62,610</u>	<u>\$ 874,385</u>

THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT  
Schedule of Program Revenues and Expenses  
For the Year Ended June 30, 2017

	<u>Children</u>	<u>Elders</u>	<u>Vocational</u>	<u>Multi-Service</u>	<u>Acute Care</u>	<u>Independent Living</u>	<u>Assertive Community Treatment</u>	<u>non-Specialized Outpatient</u>	<u>Other Non-BBH</u>	<u>Total Program Services</u>	<u>Admin-istrative</u>	<u>Total Agency</u>
<u>Public support and revenues:</u>												
Public support:												
Federal	\$ -	\$ -	-	-	-	731,723	-	12,480	-	\$ 744,203	-	\$ 744,203
State of New Hampshire - BBH	167,680	-	-	3,945	121,846	-	225,000	-	-	518,471	-	518,471
State and local funding	14,871	-	-	-	-	-	-	14,871	14,859	44,601	-	44,601
Other public support	<u>5,249</u>	<u>85</u>	<u>63</u>	<u>525</u>	<u>189</u>	<u>32,083</u>	<u>154</u>	<u>65,918</u>	<u>1,223</u>	<u>105,489</u>	<u>271</u>	<u>105,760</u>
Total public support	187,800	85	63	4,470	122,035	763,806	225,154	93,269	16,082	1,412,764	271	1,413,035
Revenues:												
Program service fees, net	5,111,287	295,640	182,618	2,864,494	387,144	1,565,021	545,424	522,813	40,502	11,514,943	-	11,514,943
Other service income	64,767	17,826	-	2,500	275,064	8,000	-	3,405	50,800	422,362	-	422,362
Rental income	821	-	-	1,514	821	821	-	821	-	4,798	-	4,798
Other	<u>497</u>	<u>22</u>	<u>36</u>	<u>1,405</u>	<u>167</u>	<u>4,891</u>	<u>435</u>	<u>316</u>	<u>121</u>	<u>7,890</u>	<u>12,148</u>	<u>20,038</u>
Total revenues	<u>5,177,372</u>	<u>313,488</u>	<u>182,654</u>	<u>2,869,913</u>	<u>663,196</u>	<u>1,578,733</u>	<u>545,859</u>	<u>527,355</u>	<u>91,423</u>	<u>11,949,993</u>	<u>12,148</u>	<u>11,962,141</u>
Total public support and revenues	5,365,172	313,573	182,717	2,874,383	785,231	2,342,539	771,013	620,624	107,505	13,362,757	12,419	13,375,176
Total expenses	<u>4,852,532</u>	<u>265,821</u>	<u>250,721</u>	<u>2,539,805</u>	<u>812,754</u>	<u>2,045,662</u>	<u>739,291</u>	<u>1,494,463</u>	<u>162,390</u>	<u>13,163,439</u>	<u>-</u>	<u>13,163,439</u>
Change in net assets from operations	512,640	47,752	(68,004)	334,578	(27,523)	296,877	31,722	(873,839)	(54,885)	199,318	12,419	211,737
<u>Non-operating expenses:</u>												
Fair value gain on interest rate swap	-	-	-	-	-	-	-	-	-	-	148,152	148,152
Change in net assets	<u>\$ 512,640</u>	<u>\$ 47,752</u>	<u>\$ (68,004)</u>	<u>\$ 334,578</u>	<u>\$ (27,523)</u>	<u>\$ 296,877</u>	<u>\$ 31,722</u>	<u>\$ (873,839)</u>	<u>\$ (54,885)</u>	<u>\$ 199,318</u>	<u>\$ 160,571</u>	<u>\$ 359,889</u>



THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE  
D/B/A CLM CENTER FOR LIFE MANAGEMENT  
Schedule of Program Expenses  
For the Year Ended June 30, 2017

	<u>Children</u>	<u>Elders</u>	<u>Vocational</u>	<u>Multi- Service</u>	<u>Acute Care</u>	<u>Independent Living</u>	<u>Assertive Community Treatment</u>	<u>non- Specialized Outpatient</u>	<u>Other Non-BBH</u>	<u>Total Program Services</u>	<u>Admin- istrative</u>	<u>Total Agency</u>
<b>Personnel costs:</b>												
Salaries and wages	\$ 3,015,378	\$ 146,698	\$ 130,543	\$ 1,658,638	\$ 553,064	\$ 779,875	\$ 419,846	\$ 971,052	\$ 64,333	\$ 7,739,427	\$ 708,667	\$ 8,448,094
Employee benefits	556,580	48,289	51,854	279,012	60,790	235,935	100,364	164,749	14,475	1,512,048	135,073	1,647,121
Payroll taxes	213,573	10,584	8,962	121,568	40,986	55,316	30,352	70,281	4,600	556,222	47,730	603,952
Accounting/audit fees	18,796	1,678	1,236	10,379	3,726	7,049	3,038	4,689	1,351	51,942	9,915	61,857
Advertising	3,053	206	202	1,575	628	1,041	598	726	166	8,195	702	8,897
Conferences, conventions and meetings	8,846	370	346	4,079	749	1,345	2,146	2,681	276	20,838	11,992	32,830
Depreciation	72,763	6,499	4,792	40,174	14,419	27,286	11,757	18,146	5,235	201,071	20,764	221,835
Equipment maintenance	4,015	359	264	2,216	796	1,505	649	1,001	289	11,094	1,146	12,240
Equipment rental	19,464	1,131	819	8,067	4,358	4,725	2,010	5,730	935	47,239	3,755	50,994
Insurance	25,117	2,244	1,654	16,391	4,978	9,420	4,059	6,264	1,808	71,935	7,568	79,503
Interest expense	35,753	3,195	2,356	19,742	7,086	13,406	5,777	8,918	2,571	98,804	15,153	113,957
Legal fees	12,259	1,095	807	6,768	2,429	4,597	3,931	3,057	882	35,825	3,498	39,323
Membership dues	17,624	1,265	925	8,769	3,100	5,404	2,995	5,696	1,160	46,938	8,670	55,608
Occupancy expenses	141,978	3,110	2,309	35,587	8,584	590,404	8,846	47,736	2,555	841,109	10,283	851,392
Office expenses	73,270	4,176	5,002	28,974	11,265	28,881	19,254	21,067	3,546	195,435	20,893	216,328
Other expenses	5,159	329	258	4,128	730	2,310	821	1,999	1,420	17,154	12,015	29,169
Other professional fees	106,847	9,396	7,340	58,509	21,009	41,657	17,534	26,502	8,653	297,447	58,786	356,233
Program supplies	32,379	1,574	3,349	12,847	6,689	9,436	13,439	9,355	34,651	123,719	10,843	134,562
Travel	88,078	1,623	6,953	12,184	103	56,768	30,690	1,130	45	197,574	1,970	199,544
	<u>4,450,932</u>	<u>243,821</u>	<u>229,971</u>	<u>2,329,607</u>	<u>745,489</u>	<u>1,876,360</u>	<u>678,106</u>	<u>1,370,779</u>	<u>148,951</u>	<u>12,074,016</u>	<u>1,089,423</u>	<u>13,163,439</u>
Administrative allocation	401,600	22,000	20,750	210,198	67,265	169,302	61,185	123,684	13,439	1,089,423	(1,089,423)	-
<b>Total program expenses</b>	<b>\$ 4,852,532</b>	<b>\$ 265,821</b>	<b>\$ 250,721</b>	<b>\$ 2,539,805</b>	<b>\$ 812,754</b>	<b>\$ 2,045,662</b>	<b>\$ 739,291</b>	<b>\$ 1,494,463</b>	<b>\$ 162,390</b>	<b>\$ 13,163,439</b>	<b>\$ -</b>	<b>\$ 13,163,439</b>

**BOARD OF DIRECTORS FY2018**

**Ron Lague  
Chairperson**

1

**Elizabeth Roth  
Vice Chair**

2

**Judi Ryan  
Secretary**

3

**Philip Plante**

4

**Jeffrey Rind, MD**

**Gail Corcoran**

**Vic Topo  
President & CEO**

1

**Vernon Thomas**

**Susan Davis**

**David Hebert**

**James Morgan**

5

**Myhanh Nguyen, MD**

6

**Maria Gudinas**

7

# VICTOR TOPO

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## President/Chief Executive Officer

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Successful 32-year career as clinician, manager and CEO in community mental health organizations located in Ohio and New Hampshire. Proven ability to lead board and staff with a persistent focus on mission and achieving results. Talent for exploring new and innovative approaches to delivering traditional and non-traditional behavioral health care. Possess wide range of knowledge and experience with all service populations, especially vulnerable persons at high risk. Strengths include:

- Operations
- Reorganization and reinvention
- Team building and leadership
- Strategic planning
- Collaboration
- Strategic partnerships
- Strong relationship with funders
- Community building
- Innovation

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## Professional Experience

**Center for Life Management – Derry, NH**

**1999 – Present**

**President/Chief Executive Officer**

Recruited to manage 501(c) 3 comprehensive community mental health center and its title holding 501(c) 2 corporation, entitled West Rock Endowment Association including two residential facilities.

Key results:

- Restructured senior management increasing direct reports from three to six.
- Revenues increased from 6.5 million to 13 million.
- Established closer connection with surrounding community utilizing aggressive public relations strategy while also rebranding CLM in 2004.
- Guided Board of Directors towards more accountability including higher expectation from management and individual board members.
- Initiated and implemented Corporate Compliance Program, including selection of corporate compliance officer
- Increased year after year number of persons served starting with 3,400 to nearly 6,000.
- Created and implemented strategy to integrate behavioral health care with physician healthcare. Integrated behavioral health services into two Primary Care/Pediatric Practices and two Specialty Practices in Southern New Hampshire.
- Consolidated outpatient offices toward design and construction of new state of the art 26,000 square foot facility. Received national awards for design and use of new facility.
- Provided leadership and vision to oversee the development and implementation of an Electronic Health Record (EHR) called webAISCE. Software now includes e-prescribing and has begun acquiring Meaningful Use dollars with regular upgrades over course of fifteen years.
- Adopted Neurostar Transcranial Magnetic Stimulation (TMS) in 2010 as newest neuro tech treatment for treatment resistant Major Depressive Disorder. First free standing community mental health center in the U.S. to offer it.

**Pathways, Inc. – Mentor, OH**

**1988 - 1999**

**Chief Executive Officer/Executive Director**

Started with managing a small single purpose case management agency with revenues of \$486,000 and over 11 years grew revenues to 4 million by expanding services to chronically mentally ill consumers. Created senior management team and strengthened Board of Directors utilizing shared

## VICTOR TOPO

-Page 2-

### Key results:

- In collaboration with mental health board designed one of Ohio's first 24 hour 7 days a week in-home crisis stabilization program called C.B.S. (Community Based Stabilization).
- Assumed leadership role in transitioning 32 long-term patients back to our community.
- Positioned organization every year to competitively bid on ever/service provided and be awarded the service contract. Expanded wide range of services that include psychiatry, counseling, emergency services and housing.
- Created county's only Atypical Neuroleptic Medication Program (e.g. Clozaril).
- Pathways' first long range strategic plan in 1992.
- Increased Medicaid revenue from \$38,000 in 1989 to \$431,210 in 1997.

### Community Counseling Center – Ashtabula, OH

1983-1988

#### Case Management Supervisor/Case Manager

Provided direct services and supervision for services to severely mentally disabled persons in the community. Partnered with local private hospital as well as state hospital.

#### Key results:

- Transitioned consumers back into supervised and independent living.
- Recruited, trained and managed staff of five case managers.
- Designed and implemented agency's first case management program.

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## EDUCATION

### Master of Social Work (MSW)

West Virginia University, Morgantown, WV

### Bachelor of Arts (BA)

Siena College, Loudonville, NY

### Associate of Applied Science (AAS)

Fulton-Montgomery Community College, Johnstown, NY

## BOARD/LEADERSHIP POSITIONS

Heritage United Way – Board of Directors

Mental Health Commission – Co-Chair

Consumers and Families Work Group

Statewide Evidenced Based Practice Committee – Co-Chair

Greater Salem Chamber of Commerce – Board of Directors

Behavioral Health Network – Board of Directors

Greater Derry/Londonderry Chamber of Commerce – Board of Directors

Greater Derry/Salem Regional Transportation Council (RTC) -

Chairman, Board of Directors, Derry, NH

Greater Salem Leadership Program – Graduate. Class of 2001

**Michael J. Bergeron**

**PROFESSIONAL PROFILE:**

- Thirty-five plus years of extensive clinical background and skills combined with proven administrative and financial management experience. Reputation for high integrity, loyalty, dependability, hard work, dedication, attention to detail, and goal achievement. Proven history of successful program development.

**EXPERIENCE:**

**CLM Center for Life Management, Salem, NH** 9/99--Present

**Vice President, Chief Financial Officer**

- Executive/administrative responsibility for Finance, Accounting, Accounts Receivable, Accounts Payable, Payroll, and Facilities/Operations. Primary responsibilities for fiscal management and reporting and regulatory compliance, budget development, monitoring and management, state & vendor contracting, employee benefits negotiations, facilities management and financing, board reporting, and lender relations.

**CLM Center for Life Management, Salem, NH** 11/87--9/99

**Director, Case Management Services**

- Complete administrative, operational, and supervisory responsibility for the initial development and ongoing management of discrete case management services within the context of a multi-disciplinary treatment team model of community support programs. Led the expansion of this service to all populations, and guided transformation from a fully funded to a revenue generating service with \$1.4 million of annual billing and significant budget surpluses. Assisted with the design and development of customized network database system for case management and clinical desk top applications. Responsible for State audits resulting in ninety-five plus percent contract compliancy ratings. Member of management council, budget committee, strategic planning group, mission statement work group, communication committee, TBS TQM initiative, and invited by the Board to the CEO search committee.

**Hampstead Hospital,, Hampstead, NH** 10/76--10/87

**Senior Psychiatric Counselor**

- Provided individual, group, and family counseling as well as milieu management services and staff training. Instrumental in the expansion of the counseling role and responsibility. Appointed senior counselor by the Medical Director in recognition of this initiative and overall performance.

**Prudential Insurance Company, Lawrence, MA** 9/75—10/76

**Special Agent**

- Sales and marketing of complete insurance portfolio including life, health, property-casualty, and retirement.

**Raytheon Company, Andover, MA** 5/73—3/75

**Government Property Coordinator**

- Management of utilization and disposition of government property, facilities, tooling, and test equipment in accordance with contract stipulations.

**Holy Family Hospital, Methuen, MA** 6/70—6/72

**Psychiatric Counselor**

- Provided individual, group, and family counseling. Assisted with other indicated medical procedures such as electroconvulsive therapy, and participated in milieu management and activities.

**EDUCATION:**

- New Hampshire College, Graduate School of Business, Manchester, NH  
M.B.A. Degree 1987
- Fitchburg State College, Graduate School of Guidance and Counseling, Fitchburg, MA  
18 Graduate Hours in Counseling 1973
- Nathaniel Hawthorne College, Antrim, NH  
B.A. Degree 1971

**LICENSES AND PROFESSIONAL AFFILIATIONS:**

- Licensed Certified Social Worker, Massachusetts License #3028-2-051-181
- Member in Good Standing National Association of Social Workers

## ISABEL NORIAN, MD

CENTER FOR LIFE MANAGEMENT  
10 TSIENNETO ROAD., DERRY, NH 03038  
603.484.1577

### EDUCATION

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- |            |   |                                     |
|------------|---|-------------------------------------|
| 7/01-6/05  | University of Connecticut<br><i>Psychiatry Resident. Outpatient Chief Resident. President, Resident's Council. Residency Training Committee. Psychotherapy Training Committee. Presenter, Grand Rounds.</i> | Farmington, CT                      |
| 9/99-5/01  | University of St. Eustatius<br><i>Doctor of Medicine. All clinical rotations completed in the United States.</i>  | St. Eustatius, Netherlands-Antilles |
| 9/97-8/99  | Saba University School of Medicine<br><i>Candidate for Doctor of Medicine. Completed the basic sciences.</i>  | Saba, Netherlands-Antilles          |
| 9/93-6/97  | Harvard/Radcliffe College<br><i>Bachelor of Arts, Cum Laude. Germanic Languages and Literature, pre-medicine studies.</i>   | Cambridge, MA                       |
| 9/96-12/96 | Uppsala University<br><i>Undergraduate student. Swedish Language and Literature.</i>  | Uppsala, Sweden                     |
| 9/89-6/93  | Quabbin Regional High School<br><i>Valedictorian. National Honor Society.</i>   | Barre, MA                           |

### WORK EXPERIENCE

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- |              |  |                |
|--------------|--|----------------|
| 7/13-present | Center for Life Management<br><i>Medical Director. Clinical responsibilities primarily in providing medication management services in the outpatient clinic setting. Administrative responsibilities as medical director, including supervision of medical staff. Certified in Transcranial Magnetic Stimulation. Clinical preceptorship of APRN student from Rivier University.</i>     | Derry, NH      |
| 7/09-6/13    | UVM College of Medicine/Fletcher Allen Health Care<br>7/09-6/13 <i>Assistant Professor of Psychiatry. Full-time faculty and medical staff.</i><br>7/09-6/13 <i>Attending psychiatrist, inpatient psychiatry service. Most work done on the secure, high-acuity inpatient psychiatry unit. Starting 12/12, providing part-time coverage (coupled with coverage at the Seneca Center).</i> | Burlington, VT |

- 12/12-6/13 *Attending psychiatrist*, partial hospitalization program and intensive outpatient program (Seneca Center). Providing part-time coverage (coupled with coverage on the inpatient service).
- 4/12-6/13 *Director of Medical Student Education*, Department of Psychiatry. *Psychiatry Clerkship Director*, UVM College of Medicine. Chair of the Medical Student Education Committee (Dept of Psychiatry). Member of the: Education Policy Committee (Dept of Psychiatry), Residency Training Committee (Dept of Psychiatry), Clerkship Directors' Committee (UVM College of Medicine).

6/08-6/09 Danbury Hospital Danbury, CT  
*Attending psychiatrist*. Adult inpatient unit. Clinical instruction of New York Medical College residents and medical students, St. George's University medical students, and Quinnipiac University physician assistant students. Member, Pharmacy and Therapeutics Committee.

10/06-6/08 Hall-Brooke Behavioral Health Services Westport, CT  
*Attending Psychiatrist*. Adult inpatient unit. Pharmacy and Therapeutics Committee. Staff privileges at St Vincent's Medical Center in Bridgeport, CT.

10/05-10/06 Arbour Hospital Boston, MA  
*Attending Psychiatrist*. Adult inpatient units and Crisis Intervention Services.

#### **MEDICAL LICENSURE**

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Current licensure: New Hampshire

Past licensure: Connecticut, Maine, Vermont, Massachusetts, New York

#### **BOARD CERTIFICATION**

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9/9/11 American Board of Psychiatry and Neurology (Certificate No. 68019)

#### **PROFESSIONAL MEMBERSHIP**

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- 2003-present American Psychiatric Association
- 2003-2005 Connecticut Psychiatric Society
- 2003-2004 Area 1 MIT Deputy Representative, Assembly of the APA
- 2004-2005 Area 1 MIT Representative, Assembly of the APA
- 2005-2006 Massachusetts Psychiatric Society
- 2005-2011 Committee on Bylaws, Assembly of the APA
- 2006-2009 Connecticut Psychiatric Society
- 2009-2013 Vermont Medical Society
- 2012-present Association of Directors of Medical Student Education in Psychiatry (ADMSEP)
- 2013-present New Hampshire Deputy Rep for Area 1, Assembly of the APA
- 2013-present New Hampshire Psychiatric Society (Board Member)
- 2014-present American Association of Community Psychiatrists
- 2015-present Chairperson, Assembly Committee on Public & Community Psychiatry, APA
- 2015 House Bill 564 Work Group (addressing Prior Authorizations for Managed Medicaid)





# Steve Arnault

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Assistant Director of Behavioral Health Services      **Portsmouth Regional Hospital**  
Portsmouth, NH      4/2005 – 1/2006

- Responsible for the clinical and administrative functioning of the Psychiatric assessment and Referral Service (PARS). Manage annual budget of 600K.
- Supervision of 22 clinicians who provide psychiatric crisis assessments, admissions, intake and referral 24 hours a day.
- Supervision, oversight and development of the Interdepartmental Service: 3 clinicians who provide psychiatric assessment, consultation and therapy to patients admitted medically to the hospital.

Director of Adult Services      **Community Partners; Dover, NH**      11/2001 – 4/2005

- Responsible for the clinical, administrative and financial operations of the Adult Outpatient Therapy, EAP, Admissions, Emergency Services, Geriatric and Acute Service programs (PHP/IOP) serving Strafford County. Supervised 4 managers responsible for 26 staff. Manage annual budget of 3 million dollars.

Clinical Director of Community Support Prog.      **Riverbend Community Mental Health Ctr**  
Concord, NH      9/2000 – 11/2001

- Responsible for the clinical, administrative and fiscal operations of programs serving 554 consumers with severe and persistent mental illness. Directly supervise 5 managers responsible for 60 staff. Development and oversight of annual budget of 4 million dollars.

Treatment Team Coordinator      **Riverbend Community Mental Health Ctr**  
Concord, NH      8/1996 – 9/2000

- Clinical and administrative supervision of a multidisciplinary team of 12 direct care staff. Serving an average of 100 individuals with severe and persistent mental illness.

Team Leader      **Strafford Guidance Center; Dover, NH**      1/1993 – 8/1996

- Clinical and administrative supervision of 8 direct care staff. Serving an average of 80 individuals with severe and persistent mental illness.
- Developed the first interagency treatment team to serve individuals with severe and persistent mental illness and developmental disabilities in NH.

Clinical Case Manager      **Strafford Guidance Center; Dover, NH**      1/1992 – 12/1993

- Provided psychotherapy and case management services to individuals with severe and persistent mental illness and substance abuse issues as part of The Continuous Treatment Team study through Dartmouth College.

# Steve Arnault

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Assistant Director / Behavioral Specialist      **Residential Resources; Keene, NH**      1/1989 – 1/1992

- Directed all administrative, fiscal and clinical activities for 5 group homes and 3 supported living arrangements serving people with developmental disabilities. Provide behavioral consultation to individuals with behavioral/functional challenges.

Behavioral Specialist / Clinical Supervisor      **The Center for Humanistic Change**  
Manchester, NH      8/1986 – 1/1989

- Provide behavioral consultation to individuals facing behavioral/functional challenges in group homes, day programs, vocational and family settings. Supervised 2 clinicians.

House Manager      **Greater Lawrence Psychological Center**  
Lawrence, MA      6/1984 – 8/1986

- Administrative, clinical and financial management of a group home serving 4 men with severe and persistent mental illness.

## Teaching & Educational Experience

Adjunct Faculty      **New England College; Henniker, NH**      9/1994 - Present  
[www.nec.edu](http://www.nec.edu)

- Teach graduate and undergraduate courses in psychology, counseling, program development and evaluation

Director of Masters Degree Program in Mental Health Counseling      **New England College; Henniker, NH**      1/1998 – 3/2002

- Developed and implemented curriculum for degree program.
- Oversight of curriculum to insure quality, academic standards and student retention.
- Development and execution of marketing plan.
- Provided academic advising and mentoring to students.
- Faculty recruitment, supervision and monitoring of academic quality

Curriculum Consultant      **New England College; Henniker, NH**      Fall 2012 - Present

- Developed curricula for a certificate and C.A.G.S. in the integration of behavioral health into primary medicine.

# Steve Arnault

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Curriculum Consultant      **Bruce Mast and Associates; Portsmouth, NH**      Fall 2008 –  
[www.bmaleadership.com](http://www.bmaleadership.com)      Spring 2010

- Co-authored Masters of Science Degree in Healthcare Transformative Leadership.
- Marketed degree to colleges, worked with senior administrations toward implementation, wrote course descriptions for academic catalogues, recruited faculty.
- Judge for BusinessNH Magazine's 10 Best Companies to Work For contest, 2010-2012. Lead Judge for last two years

## Education

Masters of Arts      **Antioch New England Graduate School**      1989  
Counseling Psychology      Keene, NH

Bachelor of Arts      **Plymouth State College; Plymouth, NH**      1984  
Psychology

## Community Service

Board      **SeaCare Health Services**      8/2012- Present  
July 2008-November 2009      [WWW.Seacarehealthservices.org](http://WWW.Seacarehealthservices.org)

## Publications

Hudgins, C., Rose, S., Fifield. P.Y., Arnault, S., (2014). The Ethics of Integration: Where Policy and Practice Collide. In Hodgson, J., Lamson, A., Mendenhall. T., Russell Crane, D. (eds) *Medical Family Therapy: Advanced Applications*. (First Edition, pp. 381-401) Dordrecht, Switzerland, Springer International Publishing.

Hudgins, C., Rose, S., Fifield. P.Y., Arnault, S., (2013). Navigating the ethical foundations of informed consent and confidentiality in integrated primary care. *Families, Systems, & Health*. 31, 9-19

Barry C. Quimby

**BARRY C. QUIMBY**

**Summary:** Over 18 years experience in community mental health and substance abuse treatment  
Vast experience in client advocacy to access mainstream benefits/gainful employment  
Knowledge of state/federal regulations and policies governing grant operations  
Knowledge of HUD housing/PATH outreach and program operations

**Experience:**

Center for Life Management- Derry, New Hampshire *June 2000-Present*

- **Program Manager for Housing Development:** Responsible for overseeing all HUD funding including the Shelter Plus Care housing assistance program. Foster relations with local landlords, Arrange for apartment inspections to meet HUD Quality Standards, Process and complete necessary file documentation, Advocate for clients within the program to obtain affordable housing, Serve as liaison to the local Housing Authority. Responsible for HMIS data entry, Annual renewals, APR submission, and Quarterly reports for all HUD contracts including Beaver Lake Lodge (A HUD funded residential program). Co-Chair to the New Hampshire Balance of State Continuum of Care (BOSCO) (Nominated November 2007) Active participant of NH-HMIS Advisory Committee and NH HMIS Data Quality Committee. Successful recipient of a second Shelter Plus Care Good Samaritan grant involving three agencies participating in the NH BOSCO in 2009. Successful recipient of NHH Transitional Housing funds for a Permanent Housing Program 2010.
- **PATH Homeless Outreach Supervisor:** Successful recipient of PATH funding to CLM. Responsible for overseeing all aspects of program funding for outreach to homeless individuals in Western Rockingham County. Provide outreach to identify homeless individuals suffering from mental illness and homelessness, link to community services for which said individuals are eligible and assist individuals engaged in obtaining mainstream benefits, housing, legal advocacy, and community Mental Health / Substance Abuse services. Assisted in the development of Bi-State Technical Assistance grant from SAMHSA to provide training for PATH providers on legal issues, advocacy, program improvement, and interstate collaboration to improve services provided to homeless individuals in New Hampshire and Vermont. Successfully initiated CLM as a pilot program in New Hampshire for PATH data entry into NH-HMIS.
- **Case Manager:** Responsible for the direct service planning as part of a multidisciplinary community support team. Provide Case Management and Functional Support Services to adult clients with mental illness. Consult with medical / clinical staff; Assist clients with identifying options for employment and assist with job placement and maintaining employment, Refer clients to community resources; Provide representative payee services; Promote independent functioning in the community to clients served; Provide staff training and orientation. Served as Dialectical Behavioral Therapy (DBT) skills group leader. Trained in DBT Therapy and active member of DBT consultation team. Serve on CLM's Safety Committee as well as CLM's Medicare Part D Committee. NH Hospital Liaison.

## Barry C. Quimby

Harbor Homes, Inc., Nashua, New Hampshire

November 1993-June 2000

- ♦ **Program Manager / Residential Coordinator:** Involved in all aspects of operating a housing and treatment program for 43 clients living in supported housing in the greater Nashua area, including policy and regulation adherence for a 14-bed HUD-funded program. Managed 6 full-time and 21 fee-for-service staff; Fostered relations with local affiliates; Improved the clinical sophistication of program. Implemented training programs, assisted with grant writing, and reduced staff turnover. HUD certified.
- ♦ **Fee-for-Service Counselor:** Worked 1:1 with clients to assist in overall treatment goals. Worked with administration and management to develop policies and procedures to enhance the day to day operations of the program. Created training packages to ensure the overall Counselor/Client relationship is more productive and measurable for both billing and therapeutic productivity.

American Training, Lowell, Massachusetts

April 1998-December 1998

- ♦ **Program Director:** Directed all aspects of operating a supported housing program for 27 individuals in the greater Lowell area, including supervision of middle management and direct-care staff, policy and regulation adherence, and fostering program relations with local affiliates.

South Middlesex Opportunity Council, Framingham, Massachusetts

April 1992-April 1998

- ♦ **Program Manager / Site Coordinator:** Managed all aspects of operating a group home and supported housing program for chronic mentally ill adults. Improved program by ensuring licensure and regulation adherence from Department of Mental Health; Created a results-oriented team atmosphere for program efficiency; Reduced the program budget deficit during 1996 fiscal year; Reduced the staff turnover ratio within component; Worked with local and area DMH agencies and affiliates to improve program relations and reputation.
- ♦ **Supported Housing Coordinator:** Coordinated all aspects of a supported housing program for four mentally ill individuals. Managed staff overseeing clients while increasing program client turnover to more independent living status; Improved client charting and documentation to ensure DMH licensure; Improved inter-staff communication to improve efficiency of treatment.
- ♦ **Residential Counselor:** Worked in a program that involved transitioning mentally ill individuals from a hospital setting into community living. Assisted in moving 25 clients from state hospital setting into group homes located in Metro-west area; Assisted two clients in gaining skills needed to move from group home into independent living within the community.

### Education:

Keene State College, Keene, New Hampshire

Graduated May 1991

- ♦ **Bachelor of Arts in Industrial / Social / Counseling Psychology**

Gained Independent Study laboratory experience as a **Research Assistant** organizing and administering semantic-priming research studies at Keene State College. Responsibilities included designing experiments, testing subjects, collecting and analyzing data.

**KEY ADMINISTRATIVE PERSONNEL - SFY 2018**

**HUD PERMANANT HOUSING I**

**Contractor Name:** The Mental Health Center for Southern New Hampshire dba CLM Center for Life Management

NAME	JOB TITLE	FTEs	SALARY	PERCENT PAID FROM THIS CONTRACT	AMOUNT PAID FROM THIS CONTRACT
Vic Topo	President/Chief Executive Officer	1	\$160,800	2.50%	\$4,020.00
Michael J. Bergeron	Vice President/Chief Financial Officer	1	\$133,600	2.50%	\$3,340.00
Isabel Norian, MD	Medical Director	0.75	\$162,200	5.00%	\$8,110.00
Steve Arnault	Vice President of Clinical Service & QA	1	\$118,800	3.50%	\$4,158.00
Barry Quimby	Homeless and Housing Manager	1	\$55,000	30.00%	\$16,500.00
			\$0	0.00%	\$0.00
<b>TOTAL SALARIES</b>					<b>\$36,128.00</b>

Subject: Continuum of Care, Coordinated Entry Program, SS-2019-BHHS-01-Coord-03

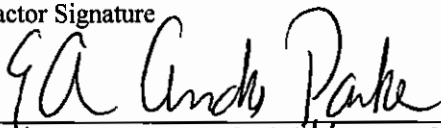
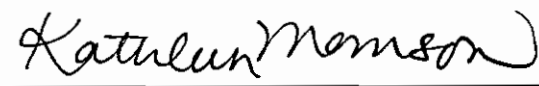
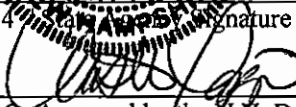
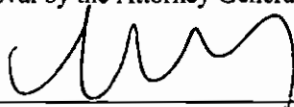
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services Office of Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Community Action Partnership of Strafford County		1.4 Contractor Address 642 Central Avenue Dover, NH 03820 Mailing Address: P.O. Box 160, Dover, NH 03821-0160	
1.5 Contractor Phone Number (603)516-8193	1.6 Account Number 05-95-42-423010-7927 102-500731	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$38,524
1.9 Contracting Officer for State Agency E. Maria Reinemann, Esq. Director of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9330	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Betsey Andrews Parker, CEO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Strafford</u> On <u>June 6<sup>th</sup> 2018</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13 Signature of Notary Public or Justice of the Peace 			
1.13 Title of Notary or Justice of the Peace Kathleen Morrison, Notary			
1.14 Signature 		1.15 Name and Title of State Agency Signatory Date: <u>6/7/18</u> <u>Christine</u> , Associate Commissioner	
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: <u>Megan Neple - Attorney</u> <u>6/8/18</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			



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

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

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, 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 EAR  
Date 6/6/18



Exhibit A

**SCOPE OF SERVICES**

**Coordinated Entry Program**

**1. Provisions Applicable to All Services**

- 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.2. 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, through the Bureau of Housing Supports, has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. 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 their programs and/or services within ten (10) days of the contract effective date; submitted to:  
  
NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301
- 1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

**2. Scope of Services**

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, the Contractor shall provide a Coordinated Entry program that shall serve approximately Three-Hundred (300) homeless individuals or individuals at imminent risk of homelessness.
- 2.2. The Contractor shall support the primary goal of this program which is to identify and engage unsheltered homeless persons and persons at imminent risk of homelessness, and to provide basic interventions such as food and referrals to services and to facilitate their movement to shelter, permanent housing and maximum self-sufficiency.
- 2.3. To be eligible for contract services, individuals and families must be homeless as defined in HUD regulations, or at imminent risk of homelessness. The Contractor must obtain and retain appropriate documentation.
- 2.4. The Contractor shall provide these services according to HUD regulations as outlined in Public Law 102-550, 24 CFR Part 578 Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Program interim rule, and other written HUD policies and directives as appropriate.

Public Law 102-550 can be accessed at:

<https://www.congress.gov/public-laws/102nd-congress>

The Electronic Code of Federal Regulations can be accessed at:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=2bfae50cb70b6feb82e6a7c0cf6b6b&mc=true&node=pt24.3.578&rgn=div5>

*Eup*

*6/6/18*



**Exhibit A**

- 2.5. Each program participant shall have an employment assessment and employment goals included in the individual service plan, as appropriate.
- 2.6. The contractor shall participate in their regional Coordinated Entry process.
- 2.7. The Contractor shall maintain adherence to federal and state financial and confidentiality laws, and agrees to comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the 2017 NOFA Project Application approved by HUD.

**3. Program Reporting Requirements**

- 3.1. The Contractor shall submit the following reports:
  - 3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the subrecipient is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.3 Exhibit A; and
  - 3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.  
NH HMIS policy can be accessed at:  
<http://www.nh-hmis.org>
- 3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.
- 3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by BHS.
- 3.4. The Contractor shall cooperate fully with and answer all questions of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.

**4. Contract Administration**

- 4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with Contractor performance.
- 4.3. The Contractor shall inform BHS of any staff changes within thirty (30) days of the change.
- 4.4. Contract records shall be retained for a period of five (5) years or as required by state or federal law, following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and BHS.

*EAP*

*6/6/19*



Exhibit B

**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**1. Coordinated Entry Program**

1.1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement pursuant to Exhibit A, Scope of Services, the State agrees to pay the Contractor an amount not to exceed Form P-37, Block 1.8, Price Limitation and for the time period specified below.

1.1.1. This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund:	0%
Federal Funds:	100%
CFDA #:	14.267
Grant Number:	NH0096L1T001702
Federal Agency:	U.S. Department of Housing & Urban Development (HUD)
Program Title:	Continuum of Care, Coordinated Entry Program
Total Amount Continuum of Care;	
July 1, 2018 – June 30, 2019: not to exceed \$38,524	
Funds allocation under this agreement for Continuum of Care Program;	
Administrative Expenses:	\$940
Leasing Expenses:	\$0
Operating Expenses:	\$0
Rental Assistance:	\$0
Supportive Services:	<u>\$37,584</u>
Total program amount:	\$38,524

1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

**2. Reports**

2.1. As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

2.1.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with 2 CFR part 200 which can be accessed at:

[https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State at the following address:

NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301

*[Handwritten Signature]*

*[Handwritten Date]*





**Exhibit B**

2.2. Where the Contractor is not subject to the requirements of 2 CFR part 200, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

**3. Project Costs: Payment Schedule; Review by the State**

3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of 2 CFR part 200.

3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 578.87(c).

3.3. The subrecipient must match all grant funds, except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources. Cash match must be used for the cost of activities that are eligible under subpart D of 24 CFR 578.

3.4. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578, and in compliance with the budget detail and narrative, as outlined in the 2017 NOFA Project Application approved by HUD, the State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of P.L. 102-550 and other applicable regulations.

3.4.1. Payment of Project Costs shall be made through the utilization of funds as provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount and time period not to exceed as specified above in section 1.1.1. Exhibit B.

3.4.2. Authorized expenses shall be those expenses as detailed in Exhibit B-1, Budget.

3.5. Schedule of Payments: Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor agrees to keep records of their activities related to Department programs and services, and shall provide additional financial information if requested by the State to verify expenses. Invoices shall be submitted promptly to the address listed above in section 2.1.1. Exhibit B.

3.6. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all



**Exhibit B**

payments made to date. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture.

- 3.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.

**4. Use Of Grant Funds**

- 4.1. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.
- 4.2. Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

**5. Expense Eligibility**

- 5.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize Continuum of Care Program agreement value specified in Exhibit B of this agreement from the HUD Continuum of Care Program, for contract services.

**5.1.1. Operating Expenses**

- 5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.
- 5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

**5.1.2. Supportive Services**

- 5.1.2.1. Eligible supportive services costs must comply with all HUD regulations in 24 CFR 578.53. Eligible services are available to those individuals actively participating in the permanent housing program.
- 5.1.2.2. Eligible costs include:
- 5.1.2.3. mental health services;
- 5.1.2.4. case management services;
- 5.1.2.5. salaries of Contractor staff providing supportive services;
- 5.1.2.6. reasonable one-time moving costs (truck rental and hiring a moving company);
- 5.1.2.7. child-care costs for establishing and operating child care;

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**Exhibit B**

- 5.1.2.8. providing child-care vouchers for children from families experiencing homelessness (including meals, snacks, comprehensive and coordinated developmental activities);
  - 5.1.2.9. education services;
  - 5.1.2.10. employment assistance and job training skills;
  - 5.1.2.11. housing search and counseling services;
  - 5.1.2.12. legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing);
  - 5.1.2.13. outpatient health services; and
  - 5.1.2.14. transportation services and utility deposits.
  - 5.1.2.15. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.
- 5.1.3. Rental Assistance
- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
  - 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
  - 5.1.3.3. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
  - 5.1.3.4. Rental assistance will only be provided for a unit if the rent is reasonable. The Contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.
  - 5.1.3.5. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits.
  - 5.1.3.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
  - 5.1.3.7. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
  - 5.1.3.8. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require

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**Exhibit B**

program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid Re-Housing program component must be tenant based rental assistance.

- 5.1.3.9. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.1.3.10. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.1.3.11. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.
- 5.1.4. Administrative Costs
  - 5.1.4.1. Administrative costs include:
    - 5.1.4.2. preparing program budgets;
    - 5.1.4.3. schedules and amendments;
    - 5.1.4.4. developing systems for assuring compliance with program requirements;
    - 5.1.4.5. developing interagency agreements and agreements with subrecipients and Contractors to carry out program activities;
    - 5.1.4.6. preparing reports and other documents related to the program for submission to HUD;
    - 5.1.4.7. evaluating program results against stated objectives;
    - 5.1.4.8. travel costs incurred for official business in carrying out the program;
    - 5.1.4.9. administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services) and;
    - 5.1.4.10. other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).
- 5.1.5. Leasing: Leasing may include leasing one structure or leasing units scattered throughout a community.
  - 5.1.5.1. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Contractor.
  - 5.1.5.2. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.
  - 5.1.5.3. The Contractor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.
  - 5.1.5.4. Property damages may only be paid from money paid to landlord for security deposits.
  - 5.1.5.5. The Contractor cannot lease a building that it already owns to itself.

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**Exhibit B**

5.1.5.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.

5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).

5.2.1. The Contractor must match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.

5.2.2. Match requirements are to be documented with each payment request.

5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 5. Expense Eligibility, Exhibit B. The Contractor must have written approval from the State prior to billing for any other expenses.

5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.

5.5. The Contractor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.

**6. Contractor Financial Management System**

6.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.

6.2. The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3, Project Costs: Payment Schedule; Review by the State, of this Agreement.

<b>For BHS use only</b>
<b>Vendor # 177200-R004</b>
<b>Contract # Line #1</b>
<b>Invoice:</b>
<b>Descript: NH0096L1T001702</b>
<b>Account:010-042-7927-102-500731</b>
<b>Add activities</b>
<b>Amount \$</b>
<b>Job #</b>
<b>Amount \$</b>
<b>Job #</b>

**Bureau of Housing Supports  
Supportive Housing Program (SHP) - Supportive Services Only (SSO)  
Payment Request Form**

<b>Sponsor Name: Community Action Partnership of Strafford County</b>					<b>PIN: NH35001</b>		
<b>Project: Coordinated Entry</b>		<b>Service Period: 7/1/18 -- 6/30/19</b>					
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
<b>Activity Name</b>	<b>Activity Budget</b>	<b>SHP Payments Billed</b>	<b>Matching Funds Applied</b>	<b>Budgeted Balance Available</b>	<b>Requested This Invoice</b>	<b>Match Applied This Invoice</b>	<b>New Available Balance</b>
Salary/Fringe Benefits	\$ 30,059.00			\$ 30,059.00	\$ -		\$ 30,059.00
Transportation	\$ 2,720.00			\$ 2,720.00	\$ -		\$ 2,720.00
Client Emergency	\$ 4,805.00			\$ 4,805.00	\$ -		\$ 4,805.00
Supportive Services Total	\$ 37,584.00			\$ 37,584.00	\$ -		\$ 37,584.00
Administration	\$ 940.00			\$ 940.00	\$ -		\$ 940.00
<b>Total HUD Funding</b>	<b>\$ 38,524.00</b>			<b>\$ 38,524.00</b>	<b>\$ -</b>		<b>\$ 38,524.00</b>
25% Required Match	\$ 9,731.25			\$ 9,731.25		\$ -	\$ 9,731.25
PLEASE PAY THIS AMT					\$ -		

<b>TOTALS:</b>			
Total HUD Funding	\$ 38,524.00	\$ -	
Total Match	\$ 9,731.25		\$ -
Project Totals	\$ 48,255.25	\$ -	\$ -
			\$ -

Authorizing Signature(s)  
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<b>For BHHS only</b>		
Amount	SHP Int	Date
\$ -	JL	
Amy O'Hara, Financial Manager		Date

Vendor Initials *EWP*  
Date *6/6/18*



**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;

New Hampshire Department of Health and Human Services  
Exhibit C



- 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.

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New Hampshire Department of Health and Human Services  
Exhibit C



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 (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) 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

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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





- 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.



**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.



**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

Contractor Initials *EAP*  
Date *6/6/18*

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.

6/6/18  
Date

Contractor Name:

EA Andrews Park  
Name: Betsy Andrews Parker  
Title: CEO

Contractor Initials EAP  
Date 6/6/18



**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-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

6/6/18  
Date

Contractor Name:

EA And Park  
Name: Betsy Andrews Parker  
Title: CEO

Contractor Initials EAR  
Date 6/6/18



**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

Contractor Initials EAR  
Date 11/14



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 (1)(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.

6/6/18  
Date

Contractor Name:

GA Ann Park  
Name: Betsy Andrews Parker  
Title: CEO

Contractor Initials GAAP  
Date 6/6/18



**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

Contractor Initials                     

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



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.

6/6/18  
Date

Contractor Name:

GA Andrew Parker  
Name: Getsey Andrews Parker  
Title: CEO

Exhibit G

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

Contractor Initials

GAAP

Date

6/6/18



**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.

6/6/18  
Date

Contractor Name:

[Signature]  
Name: Betsy Andrews Parker  
Title: CEO

Contractor Initials EMP  
Date 6/6/18



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.

*gap*

*6/6/18*



Exhibit I

- l. “Required by Law” shall have the same meaning as the term “required by law” in 45 CFR Section 164.103.
- m. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. “Security Rule” shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. “Unsecured Protected Health Information” means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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

*[Handwritten Signature]*  
*[Handwritten Date: 6/6/18]*



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

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

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

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

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

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

*[Handwritten initials]*

*6/6/18*



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

*Jap*

*4/6/14*



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.

Department of Health and Human Services  
The State

[Signature]  
Signature of Authorized Representative

Christie Tappan  
Name of Authorized Representative

Associate Commissioner  
Title of Authorized Representative

6/7/18  
Date

Community Action Partnership of Strafford County  
Name of the Contractor

[Signature]  
Signature of Authorized Representative

Betsy Andrews Parker  
Name of Authorized Representative

CEO  
Title of Authorized Representative

6/6/18  
Date





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

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

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

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

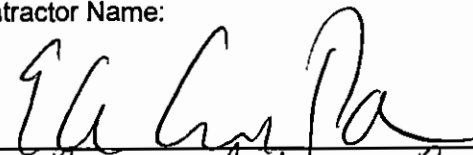
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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

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

Contractor Name:

6/6/18  
Date

  
Name: Betsy Andrews Parker  
Title: CEO

Contractor Initials BA  
Date 6/6/18



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: 099 356 586
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO                       YES

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

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

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

NO                       YES

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

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

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

Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____



DHHS Information Security Requirements

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A. Definitions

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

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

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

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

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DHHS Information Security Requirements

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

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

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

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

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

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Exhibit K

DHHS Information Security Requirements

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

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

II. METHODS OF SECURE TRANSMISSION OF DATA

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

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DHHS Information Security Requirements



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

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

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

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

**A. Retention**

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

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Exhibit K

DHHS Information Security Requirements

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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

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Exhibit K

DHHS Information Security Requirements

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

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Exhibit K

DHHS Information Security Requirements

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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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Exhibit K

DHHS Information Security Requirements

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

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

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

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

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

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**DHHS Information Security Requirements**

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

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

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov

# State of New Hampshire

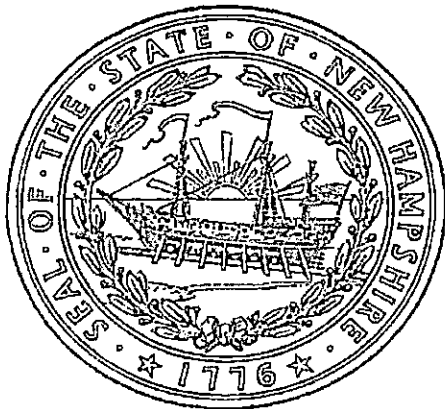
## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 25, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 65583

Certificate Number : 0004077629



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 2nd day of April A.D. 2018.

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

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

I, Jean Miccolo, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Community Action Partnership of Strafford County.  
(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 November 15, 2017:  
(Date)

**RESOLVED:** That the Betsey Andrews Parker, CEO  
(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 6<sup>th</sup> day of June, 2018.  
(Date Contract Signed)

4. Betsey Andrews Parker is the duly elected Chief Executive Officer  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Jean L. Miccolo  
(Signature of the Elected Officer)

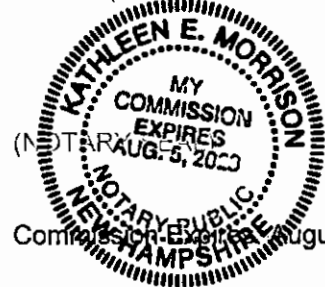
STATE OF NEW HAMPSHIRE

County of Strafford

The forgoing instrument was acknowledged before me this 6<sup>th</sup> day of June, 2018.

By Jean Miccolo  
(Name of Elected Officer of the Agency)

Kathleen E. Morrison  
(Notary Public - Kathleen Morrison)



Commission Expires August 5, 2020



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

02/02/2018

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

<b>PRODUCER</b> CGI Business Insurance 171 Londonderry Turnpike Hooksett NH 03106		<b>CONTACT NAME:</b> Teri Davis <b>PHONE (A/C, No, Ext):</b> (866)841-4600 <b>FAX (A/C, No):</b> (603)622-4618 <b>E-MAIL ADDRESS:</b> tdavis@cgibusinessinsurance.com	
		<b>INSURER(S) AFFORDING COVERAGE</b>	
		<b>INSURER A:</b> Hanover Insurance Company	
		<b>INSURER B:</b> Eastern Alliance Insurance Group	
		<b>INSURER C:</b>	
		<b>INSURER D:</b>	
		<b>INSURER E:</b>	
		<b>INSURER F:</b>	

**COVERAGES**                      **CERTIFICATE NUMBER:** 17-18 Master                      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL 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 checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			ZHVA192135	12/31/2017	12/31/2018	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 \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ Included Professional Liability \$ 1,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY			AWVA156930	12/31/2017	12/31/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist \$ 1,000,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ NIL			UHVA192136	12/31/2017	12/31/2018	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	01-0000133794-00	12/31/2017	12/31/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Business Property			ZHVA192135	12/31/2017	12/31/2018	Blanket Limit \$900,150

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

Workers Comp: 3A State: NH

**CERTIFICATE HOLDER****CANCELLATION**

NH DHHS Brown Building 129 Pleasant St Concord NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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## MISSION

To educate, advocate and assist people  
in Strafford County to help meet  
their basic needs and promote  
self-sufficiency



## VISION

Working to eliminate poverty in  
Strafford County

*Financial Statements*

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**COMMUNITY ACTION PARTNERSHIP OF**  
**STRAFFORD COUNTY**

**FOR THE YEARS ENDED**  
**DECEMBER 31, 2016 AND 2015**  
**AND**  
**INDEPENDENT AUDITORS' REPORTS**

*Leone,*  
*McDonnell*  
*& Roberts*  
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS



**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**DECEMBER 31, 2016 AND 2015**

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To the Board of Directors of  
Community Action Partnership of Strafford County  
Dover, New Hampshire

## **INDEPENDENT AUDITORS' REPORT**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Community Action Partnership of Strafford County (a New Hampshire nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of cash flows, and notes to the financial statements for the years then ended, and the related statements of activities and functional expenses for the year ended December 31, 2016.

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

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

### **Auditors' Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Action Partnership of Strafford County as of December 31, 2016 and 2015, and its cash flows for the years then ended, and the changes in its net assets for the year ended December 31, 2016 in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited Community Action Partnership of Strafford County's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 1, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2017, on our consideration of Community Action Partnership of Strafford County'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 Community Action Partnership of Strafford County's internal control over financial reporting and compliance.

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

August 15, 2017  
Wolfeboro, New Hampshire

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2016 AND 2015**

	<b><u>2016</u></b>	<b><u>2015</u></b>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 517,916	\$ 713,900
Accounts receivable	1,199,955	714,329
Inventory	8,724	8,724
Prepaid expenses	<u>19,677</u>	<u>1,300</u>
Total current assets	<u>1,746,272</u>	<u>1,438,253</u>
<b>NONCURRENT ASSETS</b>		
Security deposits	24,140	24,667
Property, net of accumulated depreciation	927,051	478,424
Other noncurrent assets	<u>12,500</u>	<u>12,500</u>
Total noncurrent assets	<u>963,691</u>	<u>515,591</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,709,963</u></b>	<b><u>\$ 1,953,844</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Demand note payable	\$ 72,673	\$ 73,401
Accounts payable	363,064	82,925
Accrued payroll and related taxes	141,753	121,014
Accrued compensated absences	79,490	81,878
Refundable advances	438,285	467,356
Other current liabilities	<u>-</u>	<u>24,399</u>
Total liabilities	<u>1,095,265</u>	<u>850,973</u>
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	1,204,103	686,961
Board designated	<u>307,315</u>	<u>307,315</u>
Total unrestricted	1,511,418	994,276
Temporarily restricted	<u>103,280</u>	<u>108,595</u>
Total net assets	<u>1,614,698</u>	<u>1,102,871</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 2,709,963</u></b>	<b><u>\$ 1,953,844</u></b>

See Notes to Financial Statements

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2016  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
<b>CHANGE IN NET ASSETS</b>				
<b>REVENUES AND OTHER SUPPORT</b>				
Grant revenue	\$ 7,531,691	\$ -	\$ 7,531,691	\$ 7,098,408
Fees for service	258,396	-	258,396	334,257
Rent revenue	11,718	-	11,718	11,005
Public support	180,609	35,620	216,229	211,809
In-kind donations	577,850	-	577,850	649,898
Interest	1,312	-	1,312	128
Fundraising	64,282	-	64,282	56,979
Other revenue	3,091	-	3,091	-
	<u>8,628,949</u>	<u>35,620</u>	<u>8,664,569</u>	<u>8,362,484</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>40,935</u>	<u>(40,935)</u>	<u>-</u>	<u>-</u>
Total revenues, support, and net assets released from restrictions	<u>8,669,884</u>	<u>(5,315)</u>	<u>8,664,569</u>	<u>8,362,484</u>
<b>EXPENSES</b>				
<b>Program services</b>				
Child services	3,812,180	-	3,812,180	3,693,205
Community services	606,156	-	606,156	712,557
Energy assistance	2,135,921	-	2,135,921	2,120,534
Housing	374,836	-	374,836	347,367
Weatherization	247,856	-	247,856	286,121
Workforce development	178,651	-	178,651	264,408
	<u>7,355,600</u>	<u>-</u>	<u>7,355,600</u>	<u>7,424,192</u>
<b>Supporting activities</b>				
Management and general	732,223	-	732,223	846,980
Fundraising	64,919	-	64,919	57,682
	<u>8,152,742</u>	<u>-</u>	<u>8,152,742</u>	<u>8,328,854</u>
<b>CHANGE IN NET ASSETS BEFORE LOSS ON SALE OF ASSETS</b>	517,142	(5,315)	511,827	33,630
<b>LOSS ON SALE OF ASSETS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,431)</u>
<b>CHANGE IN NET ASSETS</b>	517,142	(5,315)	511,827	(2,801)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>994,276</u>	<u>108,595</u>	<u>1,102,871</u>	<u>1,105,672</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,511,418</u>	<u>\$ 103,280</u>	<u>\$ 1,614,698</u>	<u>\$ 1,102,871</u>

See Notes to Financial Statements

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 511,827	\$ (2,801)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	53,517	43,903
Loss on sale of assets	-	36,431
(Increase) decrease in assets:		
Accounts receivable	(485,626)	55,737
Inventory	-	30
Prepaid expenses	(18,377)	10,286
Security deposits	527	(5,466)
Increase (decrease) in liabilities:		
Accounts payable	280,139	(43,138)
Accrued payroll and related taxes	20,739	842
Accrued compensated absences	(2,388)	3,724
Refundable advances	(29,071)	(23,778)
Other current liabilities	<u>(24,399)</u>	<u>24,262</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>306,888</u>	<u>100,032</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(502,144)	(130,646)
Proceeds from sale of property and equipment	<u>-</u>	<u>7,334</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(502,144)</u>	<u>(123,312)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of demand note payable	<u>(728)</u>	<u>(7,334)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(728)</u>	<u>(7,334)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(195,984)	(30,614)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>713,900</u>	<u>744,514</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 517,916</u>	<u>\$ 713,900</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	<u>\$ 3,322</u>	<u>\$ 3,448</u>

See Notes to Financial Statements

	<u>Child Services</u>	<u>Community Services</u>	<u>Energy Assistance</u>	<u>Housing</u>	<u>Weatherization</u>	<u>Workforce Development</u>	<u>Total Program Services</u>	<u>Intermediate (Allocation) Pools</u>	<u>Management and General</u>	<u>Fundraisin</u>
Payroll	\$ 1,918,154	\$ 189,295	\$ 302,471	\$ 100,473	\$ 44,317	\$ 100,855	\$ 2,655,565	\$ 95,943	\$ 452,699	\$ 24,9
Payroll taxes	176,028	15,961	26,048	8,834	3,552	9,619	240,040	7,306	39,087	2,3
Fringe benefits	169,391	22,283	36,680	10,177	5,743	13,233	257,507	5,395	23,738	3
Weatherization material, fuel and client assistance	61,318	11,081	1,683,477	177,707	171,141	9,562	2,114,286	-	-	
In-kind expenses	373,816	190,623	-	6,130	7,281	-	577,850	-	-	
Consultants and contract labor	261,548	3,379	5,795	21,568	745	1,635	294,670	14,788	39,015	10,0
Consumable supplies	165,261	69,043	11,021	233	856	816	247,230	11,221	13,194	1
Repairs and maintenance	46,428	13,457	9,597	7,662	561	2,101	79,806	60,932	28,315	6,8
Rent	213,171	13,529	20,399	4,567	4,756	26,532	282,954	(161,615)	25,140	1,9
Insurance	102,449	6,003	2,364	5,886	2,716	3,231	122,649	11,048	11,550	3
Utilities	123,448	6,134	11,921	16,771	1,947	4,773	164,994	(41,209)	18,178	6
Meetings, events and training	77,547	13,534	2,929	1,808	789	-	96,607	1,382	35,808	6
Travel	58,873	8,342	3,773	5,128	744	3,115	79,975	(12,553)	10,978	2
Depreciation	24,257	22,923	-	3,733	284	2,320	53,517	-	-	
Copying and postage	7,731	8,446	15,600	54	8,031	217	33,079	130	6,467	1,0
Equipment and computer	15,691	1,527	2,586	222	123	204	20,353	6,977	6,641	3
Retirement	12,307	1,291	913	1,434	1,270	438	17,653	173	4,263	2,2
Indirect costs	-	-	-	-	-	-	-	-	14,661	
Interest expense	-	3,322	-	-	-	-	3,322	-	-	
Property taxes	-	-	-	2,449	-	-	2,449	-	-	
Other program support	4,764	5,983	347	-	-	-	11,094	82	2,489	12,5
<b>Total expenses</b>	<b>\$ 3,812,180</b>	<b>\$ 606,156</b>	<b>\$ 2,135,921</b>	<b>\$ 374,836</b>	<b>\$ 247,856</b>	<b>\$ 178,651</b>	<b>\$ 7,355,600</b>	<b>\$ -</b>	<b>\$ 732,223</b>	<b>\$ 64,9</b>

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

**Nature of Organization**

Community Action Partnership of Strafford County (the Agency) is a 501(c)(3) private New Hampshire non-profit organization established under the provisions of the Equal Opportunity Act of 1964. Without services provided by the Agency, many local residents would be without a means to provide for their basic needs, including food, education, child care, utilities assistance, transportation, housing, emergency shelter and access to other services. The mission of the Agency is to educate, advocate and assist people in Strafford County to help meet their basic needs and promote self-sufficiency. The vision of the Agency is to eliminate poverty in Strafford County through compassion, education, self-sufficiency, transparency, accountability, team work, client focus and professionalism.

In addition to its administrative office located in Dover, the Agency maintains its outreach capacity by operating program offices in Farmington, Milton, Rochester, Dover and Somersworth. The Agency is funded by Federal, state, county and local funds, as well as United Way grants, public utilities, foundation and charitable grant funds, fees for service, private business donations, and donations from individuals. The Agency is governed by a tripartite board of directors made up of elected officials, community leaders from for-profit and non-profit organizations and residents who are low income. The board is responsible for assuring that the Agency continues to assess and respond to the causes and conditions of poverty in its community, achieve anticipated family and community outcomes, and remain administratively and fiscally sound. The Agency administers a wide range of coordinated programs to more than 15,000 people annually, and the programs are designed to have a measureable impact on poverty and health status among the most vulnerable residents: those under the age of 6, the elderly and those living in poverty. This coordinated approach is accomplished by providing a broad array of services that are locally defined, planned and managed with community agencies.

**Basis of Accounting**

The financial statements have been prepared using the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) of the United States.

**Financial Statement Presentation**

The financial statement presentation follows the recommendations of the Accounting Standard Codification No. 958-210, *Financial Statements of Not-For-Profit Organizations*. Under FASB ASC No. 958-210, the Agency 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. The classes of net assets are determined by the presence or absence of donor 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 Agency.

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.

At December 31, 2016 and 2015 the Agency had unrestricted and temporarily restricted net assets.

#### **Refundable Advances**

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services are performed or expenditures are incurred.

#### **Contributions**

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

#### **Contributed Services**

Donated services are recognized as contributions in accordance with FASB ASC No. 958, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, and would otherwise be purchased by the Agency.

Volunteers provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under FASB ASC No. 958 were not met.

#### **Fair Value of Financial Instruments**

Accounting Standard Codification No. 825, "Financial Instruments," requires the Agency to disclose estimated fair value for its financial instruments. The carrying amounts of cash, investments, accounts receivable, prepaid expenses, inventory, accounts payable, accrued expenses, and refundable advances approximate fair value because of the short maturity of those instruments.

#### **Inventory**

Inventory materials are fixtures for installation and recorded at cost or contributed value, using the first-in, first-out method.

### **Property and Depreciation**

Property and equipment, which have a cost greater than \$5,000, are capitalized at cost or, if donated, at the approximate fair value at the date of donation. Specific grants and awards may have a threshold lower than this amount and that program will abide by those guidelines. Assets are depreciated over their estimated useful lives using the straight-line method as follows:

Buildings and improvements	15 - 40 years
Furniture, equipment and machinery	3 - 10 years
Vehicles	5 - 7 years

Depreciation expense aggregated \$53,517 and \$43,903 for the years ended December 31, 2016 and 2015, respectively.

### **Accrued Earned Time**

The Agency has accrued a liability of \$79,490 and \$81,878 at December 31, 2016 and 2015, respectively, for future compensated leave time that its employees have earned and which is vested with the employee.

### **Income Taxes**

The Agency is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined the Agency to be other than a private foundation. The Agency is also exempt from the New Hampshire Business Enterprise Tax.

Accounting Standard Codification No. 740, "Accounting for Income Taxes", establishes the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. Management has analyzed the Agency's tax position taken on its information returns for the years 2013 through 2016, and has concluded that no additional provision for income taxes is necessary in the Agency's financial statements.

### **Cash and Cash Equivalents**

The Agency considers all highly liquid financial instruments with original maturities of three months or less to be cash equivalents.

### **Use of 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.

### **Advertising Expenses**

The Agency expenses advertising costs as they are incurred. Total advertising costs for the years ended December 31, 2016 and 2015 amounted to \$21,352 and \$15,799, respectively.

### **In-kind Donations**

The Agency pays below-market rent for the use of certain facilities. In accordance with generally accepted accounting principles, the difference between amounts paid for the use of the facilities and the fair market value of the rental space has been recorded as an in-kind donation and as an in-kind expense in the accompanying financial statements. The estimated fair value of the donation was determined to be \$322,524 and \$268,238 for the years ended December 31, 2016 and 2015, respectively.

The Agency also receives contributed professional services that are required to be recorded in accordance with FASB ASC No. 958. The estimated fair value of these services was determined to be \$49,673 and \$131,488 for the years ended December 31, 2016 and 2015, respectively.

The Agency also receives contributed food commodities and other goods that are required to be recorded in accordance with FASB ASC No. 958. The estimated fair value of these food commodities and goods was determined to be \$159,190 and \$46,463, respectively, for the year ended December 31, 2016. For the year ended December 31, 2015, the estimated fair value of these food commodities and goods was determined to be \$136,081 and \$96,644, respectively.

### **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.

## **NOTE 2. PROPERTY**

As of December 31, 2016 and 2015, property consisted of the following:

	<b><u>2016</u></b>	<b><u>2015</u></b>
Land, buildings and improvements	\$ 926,666	\$ 430,128
Furniture, equipment and machinery	522,213	522,213
Vehicles	249,779	249,779
Construction in progress	<u>5,607</u>	<u>-</u>
Total	1,704,265	1,202,120
Less accumulated depreciation	<u>777,214</u>	<u>723,696</u>
Net property	<b><u>\$ 927,051</u></b>	<b><u>\$ 478,424</u></b>

## **NOTE 3. ACCOUNTS RECEIVABLE**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for uncollectible accounts was estimated to be zero at December 31, 2016 and 2015. The Agency has no policy for charging interest on overdue accounts.

**NOTE 4. PLEDGED ASSETS**

As described in Note 5, all assets of the Agency are pledged as collateral under the Agency's demand note payable agreement.

**NOTE 5. DEMAND NOTE PAYABLE**

The Agency has available a revolving line of credit with a bank in the amount of \$250,000. The note is payable upon demand, but in the absence of demand, is due on November 30, 2017. Interest is stated at the prime rate plus 1% which result in an interest rate of 4.75% and 4.50% at December 31, 2016 and 2015, respectively. The note is collateralized by all the assets of the Agency.

**NOTE 6. TEMPORARILY RESTRICTED NET ASSETS**

At December 31, 2016 and 2015, the Agency had \$103,280 and \$108,595 in net assets temporarily restricted by donor-imposed use restrictions, respectively.

**NOTE 7. LEASE COMMITMENTS**

Facilities occupied by the Agency for its community service programs are rented under the terms of various operating leases. For the years ended December 31, 2016 and 2015, the annual lease/rent expense for the leased facilities was \$120,523 and \$169,849, respectively. Certain equipment is leased by the Agency under the terms of various operating leases.

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

<u>Year Ended December 31</u>	<u>Amount</u>
2017	\$ 115,758
2018	22,917
2019	8,922
2020	7,104
2021	<u>6,901</u>
Total	<u>\$ 161,602</u>

**NOTE 8. RETIREMENT PLAN**

The Agency maintains a 403(b) Plan and Trust (the Plan) covering substantially all employees. Employee contributions to the Plan are made at predetermined rates elected by employees. Additionally the Agency provides a matching contribution equal to 25% of the employee's contribution up to 5% of the employee's compensation. Effective April 1, 2016, the Agency instituted an auto enrollment feature mandating a minimum 1% employee contribution; however employees reserve the right to decline the auto enrollment. Employer matching contributions for the years ended December 31, 2016 and 2015 totaled \$24,366 and \$13,047, respectively.

**NOTE 9. CONCENTRATION OF RISK**

A large percentage of the Agency's total revenue was received from two contractors, the Federal Government and the State of New Hampshire. It is always considered to be at least reasonably possible that either contractor could be lost in the near term; however, Management feels this risk is of no particular concern at this time.

**NOTE 10. CONCENTRATION OF CREDIT RISK**

The Agency maintains its cash balances at several financial institutions in New Hampshire. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Agency maintains an agreement with its primary financial institution to collateralize the balances in excess of \$250,000.

**NOTE 11. CONTINGENCIES**

The Agency receives grant funding from various sources. Under the terms of these agreements, the Agency is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If expenditures were found not to have been made in compliance with the laws and regulations, the Agency might be required to repay the funds. No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed as of December 31, 2016 and 2015.

**NOTE 12. 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 August 15, 2017, the date the December 31, 2016 financial statements were available for issuance.

**SUPPLEMENTARY INFORMATION**

**(See Independent Auditors' Report)**

<u>PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>NUMBER</u>	<u>GRANTOR'S NAME</u>	<u>GRANTOR'S NUMBER</u>
<b><u>U.S. Department of Agriculture</u></b>			
Child and Adult Care Food Program	10.558	State of New Hampshire Department of Education	4300-ZZZ
Child Nutrition Cluster			
Summer Food Service Program for Children	10.559	State of New Hampshire Department of Education	4300-ZZZ
Food Distribution Cluster			
Emergency Food Assistance Program (Food Commodities)	10.569	Belknap-Merrimack Community Action Partnership	None
Total U.S. Department of Agriculture			
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Supportive Housing for the Elderly	14.157	Dover Housing Authority	Dover Housing Authority
CDBG Entitlement Grants Cluster			
Community Development Block Grants / Entitlement Grants	14.218	City of Dover, New Hampshire	City of Dover
Community Development Block Grants / Entitlement Grants	14.218	City of Rochester, New Hampshire	City of Rochester
Community Development Block Grants / State's Program and Non-Entitlement Grants in Hawaii	14.228	New Hampshire Community Development Finance Authority	16-210-CDFA
Emergency Solutions Grant Program	14.231	State of New Hampshire Department of Health and Human Services	05-95-42-423010-7927
Supportive Housing Program	14.235	State of New Hampshire Department of Health and Human Services	010-092-7176-102-0415
Supportive Housing Program	14.235	Community Partners / Behavioral Health / Services	Community Partners
Total U.S. Department of Housing and Urban Development			
<b><u>U.S. Department of Labor</u></b>			
WIA Cluster			
WIA Adult Program	17.258	Southern New Hampshire Services, Inc.	2016-0003
WIA Dislocated Worker Formula Grants	17.278	Southern New Hampshire Services, Inc.	2016-0003
Total U.S. Department of Labor/WIA Cluster			
<b><u>U.S. Department of Energy</u></b>			
Weatherization Assistance for Low-Income Persons	81.042	State of New Hampshire Governor's Office of Energy & Community Services	01-02-02-024010-7706-00000-500587
Total U.S. Department of Energy			
<b><u>U.S. Department of Health &amp; Human Services</u></b>			
Aging Cluster			
Special Programs for the Aging - Title III, Part B - Grants for Senior Energy	93.044	State of New Hampshire Division of Elderly and Adult services	010-048-7872-512-0352
Senior Transportation	93.044	State of New Hampshire Department of Health and Human Services, Nutrition & Trans. Services	05-95-48-48010-78720000-512-500352
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	State of New Hampshire Department of Health and Human Services, DPH, BPHCS, Maternal & Health Section	05-95-90-902010-5896
Promoting Safe and Stable Families	93.556	State of New Hampshire, DHHS, Division for Children, Youth and Families	05-095-042-421010-29730000-102-500734-421073
TANF Cluster			
Temporary Assistance for Needy Families	93.558	State of New Hampshire, DHHS, Division for Children, Youth and Families	05-095-045-450010-61480000-502-500891-421066
Temporary Assistance for Needy Families	93.558	Southern New Hampshire Services, Inc.	13-DHHS-BWWW-CSP-05
Low-Income Home Energy Assistance	93.568	State of New Hampshire Governor's Office of Energy & Planning	01-02-02-024010-77050000-074-500587
Community Services Block Grant	93.569	State of New Hampshire, DHHS, DFA	010-045-7148-093-0415
Head Start	93.600	Direct Funding	01CH996002 & 01HP000702
Stephanie Tubbs Jones Child Welfare Program	93.645	State of New Hampshire, DHHS, Division for Children, Youth and Families	05-095-042-421010-29680000-102-500734-421068
Social Services Block Grant	93.667	State of New Hampshire, DHHS, Division for Children, Youth and Families	05-095-042-421010-29680000-102-500734-421068
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	State of New Hampshire, Keene State College, DHHS, Center for Disease Control & Prevention, NH Division of Public Health Services	Unknown
Maternal and Child Health Services Block Grant to the States	93.994	State of New Hampshire, DHHS, Division for Children, Youth and Families	05-095-090-902010-51900000-102-500731-900040
Total U.S. Department of Health & Human Services			

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Community Action Partnership of Strafford County under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Community Action Partnership of Strafford County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 INDIRECT COST RATE**

Community Action Partnership of Strafford County has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4 FOOD DONATION**

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



**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**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  
Community Action Partnership of Strafford County  
Dover, 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 financial statements of Community Action Partnership of Strafford County (a New Hampshire nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of cash flows, and the related notes to the financial statements for the years then ended, and the related statements of activities and functional expenses for the year ended December 31, 2016 and have issued our report thereon dated August 15, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Community Action Partnership of Strafford County'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Action Partnership of Strafford County's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Action Partnership of Strafford County's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Community Action Partnership of Strafford County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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, Mc Donnell & Roberts  
Professional Association*

August 15, 2017  
Wolfeboro, New Hampshire

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

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

To the Board of Directors of  
Community Action Partnership of Strafford County  
Dover, New Hampshire

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

We have audited Community Action Partnership of Strafford County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Action Partnership of Strafford County's major federal programs for the year ended December 31, 2016. Community Action Partnership of Strafford County'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Community Action Partnership of Strafford County'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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Action Partnership of Strafford County'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 of Community Action Partnership of Strafford County's compliance.

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

In our opinion, Community Action Partnership of Strafford County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

### **Report on Internal Control Over Compliance**

Management of Community Action Partnership of Strafford County 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 Community Action Partnership of Strafford County'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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Action Partnership of Strafford County'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Leane, Mc Donnell & Roberts  
Professional Association*

August 15, 2017  
Wolfeboro, New Hampshire

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**A. SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Community Action Partnership of Strafford County were prepared in accordance with GAAP.
2. No significant deficiencies disclosed during the audit of the financial statements are reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Community Action Partnership of Strafford County, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for Community Action Partnership of Strafford County expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major were: U.S. Department of Health and Human Services, Low-Income Home Energy Assistance Program, CFDA 93.568 and U.S. Department of Housing and Urban Development, Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii, CFDA 14.228.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Community Action Partnership of Strafford County was determined to be a low-risk auditee.

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS  
AUDIT**

None

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

There were no findings or questioned costs that were required to be reported in the Schedule of Findings and Questioned Costs for the year ended December 31, 2015.



## 2018 Board of Directors

Becky Sherburne, Chair  
Hope Morrow Flynn, Vice Chair  
Alan Brown, Treasurer  
Jean Miccolo, Secretary  
Alison Dorow  
Marci Theriault  
Megan MacDonald  
Christina Radie  
Dr. Kristen Yates  
Petros Lazos  
Terry Jarvis

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Community Action Partnership of Strafford County  
Administrative & Weatherization Office, 642 Central Avenue, Dover, NH 603-435-2500  
Mailing address: P.O. Box 160, Dover, NH 03821-0160

**Outreach Offices:**

61 Locust Street, Dover 603-460-4237  
527 Main Street, Farmington 603-460-4313

**Head Start Centers:**

62A Whittier Street, Dover 603-285-9460  
120 Main Street, Farmington 603-755-2883  
55 Industrial Drive, Milton 603-652-0990  
150 Wakefield Street, Rochester 603-285-9461  
184 Maple St. Ext., Somersworth 603-817-5458

***Robert M. O'Connell***

**WORK EXPERIENCE**

**EXECUTIVE DIRECTOR:** 1995 – 2016. My Friend's Place, Dover, NH. Directed all activities for a private not for profit shelter serving homeless individuals and families. Planned, organized, and implemented new services through a \$600,000 grant for Transitional Housing for homeless families. Raised over \$250,000 to add additional beds and to meet ADA compliance standards. Negotiated mortgages and line of credit with local lending institution. Coordinated with a volunteer board of directors all aspects of policy development, fund-raising and grant writing.

**EXECUTIVE DIRECTOR,** 1988 – 1994. Haverhill Newburyport Human Services, Inc. Directed program, planning, fiscal and administrative activities for a \$3.5 million private corporation with a staff of 135, serving developmentally disabled people and their families. Primary responsibilities included board relations, program planning and evaluation, policy development, community and legislative relations, and fund raising.

**ADMINISTRATIVE SERVICES DIRECTOR:** 1984 – 1988. Haverhill Newburyport Human Services. Directed financial and administrative activities including the preparation of financial reports, prepared and managed budgets, implementing a computerized accounting system. Coordinated internal/external audits and negotiated rates with funding sources. Directed Human Resource management and payroll systems. Supervised acquisition and management of buildings, equipment, and external contractors. Negotiated line of credit and mortgages with financial institutions.

**PROGRAM DIRECTOR:** 1979 – 1983 Community action Inc, Haverhill MA. Managed the Department of Energy weatherization and the Low Income Home energy Assistance Programs. Implemented new services including a nationally recognized energy efficiency program. Wrote grant applications, prepared and monitored budgets. Recruited, trained and supervised a staff of 30. Appointed member of the City of Haverhill energy conservation commission with responsibility for winter emergency planning.

**ACTION - VISTA VOLUNTEER** 1975 – 1976. Community organizer for the Samahan Development Corporation in Stockton, CA. Wrote grant applications, organized a community food coop, and prepared the mental health component of the Stockton Community Health Plan. Developed programs for the San Joaquin County Indian lodge alcohol treatment center. University year for ACTION. North Shore community college, Beverly MA. Wrote grant application and developed program budget. Recruited and trained the first class of University Year for ACTION volunteers for a Massachusetts Community College.



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## **ADDITION INFORMATION:**

### Current Affiliations

Member of the National Ski Patrol at Gunstock Recreation area. Served as NH Region Director 2003 - 2007. Certified as an outdoor emergency care instructor and American Heart Association CPR instructor. Certified as an Emergency Medical Technician.

### Past Affiliations

Member of Rotary Club of Dover, NH. Club President 2004/05.

Former member and treasurer of the John Ashford Link House board of directors. Private organization providing residential and therapeutic services for alcohol and drug addicted men.

Former board member and treasurer - American Red Cross, Strafford County.

Former board member and treasurer of the Dover Adult Learning Center. A non-profit organization providing high school diploma and GED preparation for adults.

Former Board member, Rockingham Community Action, Inc.

Former Board Member, treasurer and Incorporator of the Homeless Center for Strafford County. A seasonal shelter providing emergency shelter for homeless women and families

United States Army veteran. Served as a personnel specialist in the Republic of Vietnam,

## **EDUCATION**

Master of Human Service Management, Lesley University, Cambridge MA 1985

Bachelors Degree, Education, University of Massachusetts, Amherst. 1975

Associate of Science Business Management/Accounting. North Shore Community College, 1972

**Community Action Partnership of Strafford County**

**Key Personnel**

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Robert O'Connell	Homeless Outreach	31,200.00	100%	31,200.00

Subject: Continuum of Care, Coordinated Entry Program, SS-2019-BHHS-01-Coord-01

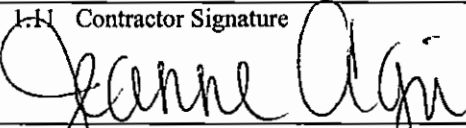
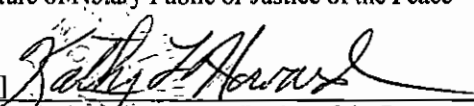
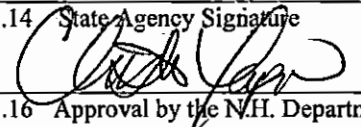
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**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 and Human Services Office of Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Community Action Program Belknap-Merrimack Counties, Inc.		1.4 Contractor Address 2 Industrial Park Drive PO Box 1016 Concord, NH 03302-1016	
1.5 Contractor Phone Number (603)225-3295	1.6 Account Number 05-95-42-423010-7927 102-500731	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$86,722
1.9 Contracting Officer for State Agency E. Maria Reinemann, Esq. Director of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9330	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Jeanne Agri, Executive Director	
1.13 Acknowledgement: State of New Hampshire County of Merrimack  On 6/7/2018, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace 			
1.13.2 Name and Title of Notary or Justice of the Peace KATHY L. HOWARD Notary Public, New Hampshire My Commission Expires October 16, 2018			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Christie Tappan, Associate Commissioner	
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: 6/8/18			
1.18 Approval by the Governor and Executive Council (if applicable)  By: _____ On: _____			

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

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

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, 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.



Exhibit A

SCOPE OF SERVICES

**Coordinated Entry Program**

**1. Provisions Applicable to All Services**

- 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.2. 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, through the Bureau of Housing Supports, has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. 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 their programs and/or services within ten (10) days of the contract effective date; submitted to:  
  
NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301
- 1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

**2. Scope of Services**

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, the Contractor shall provide a Coordinated Entry program that shall serve approximately Two-Hundred (200) homeless individuals or individuals at imminent risk of homelessness.
- 2.2. The Contractor shall support the primary goal of this program which is to identify and engage unsheltered homeless persons and persons at imminent risk of homelessness, and to provide basic interventions such as food and referrals to services and to facilitate their movement to shelter, permanent housing and maximum self-sufficiency.
- 2.3. To be eligible for contract services, individuals and families must be homeless as defined in HUD regulations, or at imminent risk of homelessness. The Contractor must obtain and retain appropriate documentation.
- 2.4. The Contractor shall provide these services according to HUD regulations as outlined in Public Law 102-550, 24 CFR Part 578 Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Program interim rule, and other written HUD policies and directives as appropriate.

Public Law 102-550 can be accessed at:

<https://www.congress.gov/public-laws/102nd-congress>

The Electronic Code of Federal Regulations can be accessed at:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=2bfae50cb70b6febbaa82e6a7c0cf6b6b&mc=true&node=pt24.3.578&rgn=div5>

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**Exhibit A**

- 2.5. Each program participant shall have an employment assessment and employment goals included in the individual service plan, as appropriate.
- 2.6. The contractor shall participate in their regional Coordinated Entry process.
- 2.7. The Contractor shall maintain adherence to federal and state financial and confidentiality laws, and agrees to comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the 2017 NOFA Project Application approved by HUD.

**3. Program Reporting Requirements**

- 3.1. The Contractor shall submit the following reports:

- 3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the subrecipient is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.3 Exhibit A; and
- 3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.

NH HMIS policy can be accessed at:

<http://www.nh-hmis.org>

- 3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.
- 3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by BHS.
- 3.4. The Contractor shall cooperate fully with and answer all questions of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.

**4. Contract Administration**

- 4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with Contractor performance.
- 4.3. The Contractor shall inform BHS of any staff changes within thirty (30) days of the change.
- 4.4. Contract records shall be retained for a period of five (5) years or as required by state or federal law, following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and BHS.



Exhibit B

**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**1. Coordinated Entry Program**

1.1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement pursuant to Exhibit A, Scope of Services, the State agrees to pay the Contractor an amount not to exceed Form P-37, Block 1.8, Price Limitation and for the time period specified below.

1.1.1. This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund:	0%
Federal Funds:	100%
CFDA #:	14.267
Grant Number:	NH0096L1T001702
Federal Agency:	U.S. Department of Housing & Urban Development (HUD)
Program Title:	Continuum of Care, Coordinated Entry Program
Total Amount Continuum of Care; July 1, 2018 – June 30, 2019:	not to exceed \$86,722
Funds allocation under this agreement for Continuum of Care Program;	
Administrative Expenses:	\$2,115
Leasing Expenses:	\$1,272
Operating Expenses:	\$0
Rental Assistance:	\$0
Supportive Services:	<u>\$83,335</u>
Total program amount:	\$86,722

1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

**2. Reports**

2.1. As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

2.1.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with 2 CFR part 200 which can be accessed at:

[https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State at the following address:

NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301

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**Exhibit B**

2.2. Where the Contractor is not subject to the requirements of 2 CFR part 200, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

**3. Project Costs: Payment Schedule; Review by the State**

3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of 2 CFR part 200.

3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 578.87(c).

3.3. The subrecipient must match all grant funds, except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources. Cash match must be used for the cost of activities that are eligible under subpart D of 24 CFR 578.

3.4. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578, and in compliance with the budget detail and narrative, as outlined in the 2017 NOFA Project Application approved by HUD, the State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of P.L. 102-550 and other applicable regulations.

3.4.1. Payment of Project Costs shall be made through the utilization of funds as provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount and time period not to exceed as specified above in section 1.1.1. Exhibit B.

3.4.2. Authorized expenses shall be those expenses as detailed in Exhibit B-1, Budget.

3.5. Schedule of Payments: Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor agrees to keep records of their activities related to Department programs and services, and shall provide additional financial information if requested by the State to verify expenses. Invoices shall be submitted promptly to the address listed above in section 2.1.1. Exhibit B.

3.6. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all

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Exhibit B

payments made to date. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture.

- 3.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.

**4. Use Of Grant Funds**

- 4.1. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.
- 4.2. Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

**5. Expense Eligibility**

- 5.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize Continuum of Care Program agreement value specified in Exhibit B of this agreement from the HUD Continuum of Care Program, for contract services.

**5.1.1. Operating Expenses**

- 5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.
- 5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

**5.1.2. Supportive Services**

- 5.1.2.1. Eligible supportive services costs must comply with all HUD regulations in 24 CFR 578.53. Eligible services are available to those individuals actively participating in the permanent housing program.
- 5.1.2.2. Eligible costs include:
- 5.1.2.3. mental health services;
- 5.1.2.4. case management services;
- 5.1.2.5. salaries of Contractor staff providing supportive services;
- 5.1.2.6. reasonable one-time moving costs (truck rental and hiring a moving company);
- 5.1.2.7. child-care costs for establishing and operating child care;



Exhibit B

- 5.1.2.8. providing child-care vouchers for children from families experiencing homelessness (including meals, snacks, comprehensive and coordinated developmental activities);
  - 5.1.2.9. education services;
  - 5.1.2.10. employment assistance and job training skills;
  - 5.1.2.11. housing search and counseling services;
  - 5.1.2.12. legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing);
  - 5.1.2.13. outpatient health services; and
  - 5.1.2.14. transportation services and utility deposits.
  - 5.1.2.15. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.
- 5.1.3. Rental Assistance
- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
  - 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
  - 5.1.3.3. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
  - 5.1.3.4. Rental assistance will only be provided for a unit if the rent is reasonable. The Contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.
  - 5.1.3.5. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits.
  - 5.1.3.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
  - 5.1.3.7. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
  - 5.1.3.8. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require

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Exhibit B

program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid Re-Housing program component must be tenant based rental assistance.

- 5.1.3.9. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.1.3.10. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.1.3.11. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.
- 5.1.4. Administrative Costs
  - 5.1.4.1. Administrative costs include:
    - 5.1.4.2. preparing program budgets;
    - 5.1.4.3. schedules and amendments;
    - 5.1.4.4. developing systems for assuring compliance with program requirements;
    - 5.1.4.5. developing interagency agreements and agreements with subrecipients and Contractors to carry out program activities;
    - 5.1.4.6. preparing reports and other documents related to the program for submission to HUD;
    - 5.1.4.7. evaluating program results against stated objectives;
    - 5.1.4.8. travel costs incurred for official business in carrying out the program;
    - 5.1.4.9. administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services) and;
    - 5.1.4.10. other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).
- 5.1.5. Leasing: Leasing may include leasing one structure or leasing units scattered throughout a community.
  - 5.1.5.1. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Contractor.
  - 5.1.5.2. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.
  - 5.1.5.3. The Contractor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.
  - 5.1.5.4. Property damages may only be paid from money paid to landlord for security deposits.
  - 5.1.5.5. The Contractor cannot lease a building that it already owns to itself.



**Exhibit B**

5.1.5.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.

5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).

5.2.1. The Contractor must match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.

5.2.2. Match requirements are to be documented with each payment request.

5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 5. Expense Eligibility, Exhibit B. The Contractor must have written approval from the State prior to billing for any other expenses.

5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.

5.5. The Contractor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.

**6. Contractor Financial Management System**

6.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.

6.2. The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3, Project Costs: Payment Schedule; Review by the State, of this Agreement.

<b>For BHS use only</b>
Vendor # 177203 - B003
Contract # 1057011 Line # 1
Invoice: CEBM0717
Descript: NH0096L1T001702
Account: 010-042-7927-102-500731
Add activities
Amount: \$
Job #
Amount: \$
Job #
Amount: \$
Job #

**Bureau of Housing Supports  
Supportive Housing Program (SHP) - Supportive Services Only (SSO)  
Payment Request Form**

Sponsor Name: Belknap-Merrimack CAP							PIN: NH35001
Project: Coordinated Entry			Service Period: 7/1/18 - 6/30/19				
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
Activity Name	Activity Budget	SHP Payments Billed	Matching Funds Applied	Budgeted Balance Available	Requested This Invoice	Match Applied This Invoice	New Available Balance
Salary/Fringe Benefits	\$ 75,787.00	\$ -		\$ 75,787.00			\$ 75,787.00
Transportation	\$ 7,548.00	\$ -		\$ 7,548.00			\$ 7,548.00
Client Emergency	\$ -	\$ -		\$ -			
Supportive Services Total	\$ 83,335.00	\$ -		\$ 83,335.00			\$ 83,335.00
Leasing/Rent	\$ 1,272.00	\$ -		\$ 1,272.00			\$ 1,272.00
Administration	\$ 2,115.00	\$ -		\$ 2,115.00			\$ 2,115.00
<b>Total HUD Funding</b>	<b>\$ 86,722.00</b>	<b>\$ -</b>		<b>\$ 86,722.00</b>			<b>\$ 86,722.00</b>
25% Required Match	\$ 21,151.75		\$ -	\$ 21,151.75			\$ 21,151.75
PLEASE PAY THIS AMT					\$ -		

<b>TOTALS:</b>			
Total HUD Funding	\$ 86,722.00		
Total Match	\$ 21,151.75		\$ 2,438.00
Project Totals	\$ 107,873.75		\$ 2,438.00

Authorizing Signature(s)

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For BHHS only		
Amount	SHP Int	Date
Amy O'Hara, Financial Manager		Date





**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



- 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.



**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.



**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





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.

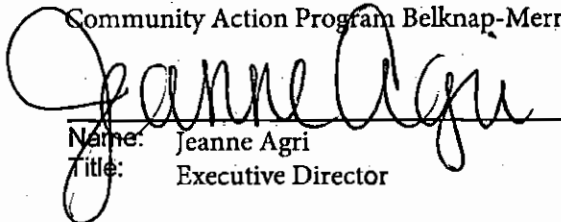
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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.

Contractor Name:

Community Action Program Belknap-Merrimack Counties, Inc.



Name: Jeanne Agri  
Title: Executive Director

6/7/2018

Date





**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

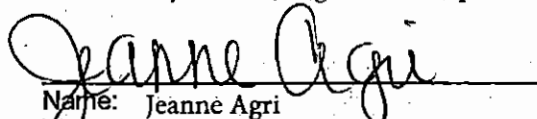
The undersigned certifies, to the best of his or her knowledge and belief, that:

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-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name:  
Community Action Program Belknap-Merrimack Counties, Inc.

6/7/2018  
Date

  
Name: Jeanné Agri  
Title: Executive Director



**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 (1)(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.

Contractor Name:  
Community Action Program Belknap-Merrimack Counties, Inc.

  
Name: Jeanne Agri  
Title: Executive Director

6/7/2018  
Date



**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

Contractor Initials

JA

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

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.

Contractor Name:  
Community Action Program Belknap-Merrimack Counties, Inc.

6/7/2018  
Date

  
Name: Jeanne Agri  
Title: Executive Director

Exhibit G

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

Contractor Initials JA




**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Contractor Name:  
Community Action Program Belknap-Merrimack Counties, Inc.

  
Name: Jeanne Agri  
Title: Executive Director

6/7/2018  
Date



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.

JA



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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





Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

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

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

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

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

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (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



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) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

Department of Health and Human Services  
The State

Signature of Authorized Representative

Name of Authorized Representative

Title of Authorized Representative

Date

Community Action Program  
Belknap-Merrimack Counties, Inc.  
Name of the Contractor

Signature of Authorized Representative

Jeanne Agri  
Name of Authorized Representative

Executive Director  
Title of Authorized Representative

Date



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

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

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

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

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

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

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

Contractor Name:  
Community Action Program Belknap-Merrimack Counties, Inc.

  
Name: Jeanne Agri  
Title: Executive Director

6/7/2018  
Date



**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: 07-399-7504
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO  YES

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

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

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

NO  YES

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

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

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

Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____



Exhibit K

DHHS Information Security Requirements

A. Definitions

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

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

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

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



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

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

## I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

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

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





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

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

## II. METHODS OF SECURE TRANSMISSION OF DATA

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



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

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

### III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

#### A. Retention

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



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

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

**B. Disposition**

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

**IV. PROCEDURES FOR SECURITY**

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).



Exhibit K

DHHS Information Security Requirements

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



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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doiit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.



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

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

#### V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

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

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



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

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

## VI. PERSONS TO CONTACT

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov

# State of New Hampshire

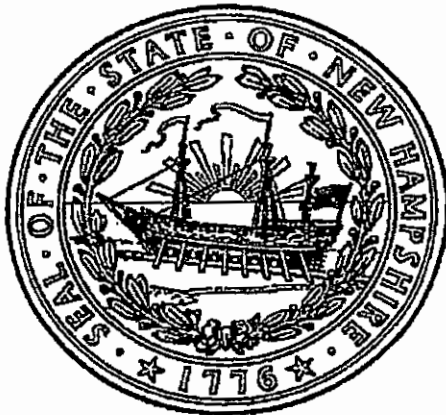
## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that COMMUNITY ACTION PROGRAM BELKNAP AND MERRIMACK COUNTIES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 28, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 63021

Certificate Number: 0004072372



IN TESTIMONY WHEREOF,  
I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 2nd day of April A.D. 2018.

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

William M. Gardner  
Secretary of State



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

**CERTIFICATE OF VOTE**


I, Dennis T. Martino, Secretary-Clerk of Community Action Program Belknap-Merrimack Counties, Inc. (hereinafter the "Corporation"), a New Hampshire corporation, hereby certify that: (1) I am the duly elected and acting Secretary-Clerk of the Corporation; (2) I maintain and have custody and am familiar with the minute books of the Corporation; (3) I am duly authorized to issue certificates with respect to the contents of such books; (4) that the Board of Directors of the Corporation have authorized, on 01/18/2018, such authority to be in force and effect until 6/30/2019 (contract termination date). (see attached)

The person(s) holding the below listed position(s) are authorized to execute and deliver on behalf of the Corporation any contract or other instrument for the sale of products and services:

Jeanne Agri, Executive Director

(5) The meeting of the Board of Directors was held in accordance with New Hampshire, (state of incorporation) law and the by-laws of the Corporation; and (6) said authorization has not been modified, amended or rescinded and continues in full force and effect as of the date hereof. Excerpt of dated minutes or copy of article or section of authorizing by-law must be attached.


IN WITNESS WHEREOF, I have hereunto set my hand as the Clerk/Secretary of the corporation this 7th day of June, 2018.

  
Secretary-Clerk

STATE OF NEW HAMPSHIRE  
COUNTY OF MERRIMACK

On this 7th day of June, 2018, before me, Kathy L. Howard the undersigned Officer, personally appeared Dennis T. Martino who acknowledged her/himself to be the Secretary-Clerk of Community Action Program Belknap-Merrimack Counties, Inc., a corporation and that she/he as such Secretary-Clerk being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

  
Kathy L. Howard, Notary Public  
Notary Public/Justice of the Peace

Commission Expiration Date:

KATHY L. HOWARD Notary Public, New Hampshire  
My Commission Expires October 16, 2018

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

**CORPORATE RESOLUTION**

The Board of Directors of Community Action Program Belknap-Merrimack Counties, Inc. authorizes the Executive Director, Budget Analyst, Chief Accountant, President, Vice-President(s) or Treasurer of the Agency to sign contracts and reports with the State of New Hampshire, Departments of the Federal Government, which include all federal #269 and #272 Forms, and public or private nonprofit agencies *including, but not limited to, the following:*

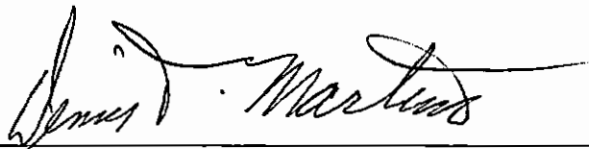
- Department of Administrative Services for food distribution programs
- Department of Education for nutrition programs
- Department of Health and Human Services
  - Bureau of Elderly and Adult Services for elderly programs
  - Bureau of Homeless and Housing Services for homeless/housing programs
  - Division of Children, Youth, and Families for child care programs
  - Division of Family Assistance for Community Services Block Grant
  - Division of Public Health Services for public health programs
- Department of Justice for child advocacy/therapy programs
- Department of Transportation-Public Transportation Bureau for transportation programs
- Public Utilities Commission for utility assistance programs
- Workforce Opportunity Council for employment and job training programs
- Department of Resources and Economic Development
- Governor's Office of Energy and Planning for Head Start, Low Income Energy Assistance, Weatherization and Block Grant programs
- New Hampshire Community Development Finance Authority
- New Hampshire Housing Finance Authority
- New Hampshire Secretary of State
- U.S. Department of Health and Human Services
- U.S. Department of Housing and Urban Development
- U.S. Department of the Treasury – Internal Revenue Service
- and other departments and divisions as required

This Resolution authorizes the signing of all supplementary and subsidiary documents necessary to executing the authorized contracts as well as any modifications or amendments relative to said contracts or agreements.

This Resolution was approved by the Board of Directors of Community Action Program Belknap-Merrimack Counties, Inc. on January 18, 2018, and has not been amended or revoked and remains in effect as of the date listed below.

6/7/2018

Date



Dennis T. Martino  
Secretary/Clerk

SEAL



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/3/2018

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

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

<b>PRODUCER</b> FIAI/Cross Insurance 1100 Elm Street  Manchester NH 03101		<b>CONTACT NAME:</b> Karen Shaughnessy <b>PHONE (A/C No. Ext.):</b> (603) 669-3218 <b>FAX (A/C No.):</b> (603) 645-4331 <b>E-MAIL ADDRESS:</b> kshaughnessy@crossagency.com	
<b>INSURED</b> Community Action Programs, Belknap-Merrimack Counties Inc. P. O. Box 1016 Concord NH 03302		<b>INSURER(S) AFFORDING COVERAGE</b>	
		<b>INSURER A:</b> Illinois National Ins. Co.	<b>NAIC #</b>
		<b>INSURER B:</b> National Union Fire Insurance	<b>19445</b>
		<b>INSURER C:</b> Granite State Health Care and Human	
		<b>INSURER D:</b> Hanover Ins Co.	<b>22292</b>
		<b>INSURER E:</b> Berkshire Hathaway, Inc.	
		<b>INSURER F:</b>	

**COVERAGES - CERTIFICATE NUMBER: 17-18 All 18-19 WC/Crime 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			06-LX-067991165-2	10/1/2017	10/1/2018	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input checked="" type="checkbox"/> Including Professional						MED EXP (Any one person) \$ 5,000
	GENL AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$ 1,000,000
D	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC			82471794	4/1/2018	4/1/2019	GENERAL AGGREGATE \$ 3,000,000
	<input checked="" type="checkbox"/> OTHER:						PRODUCTS - COMP/OP AGG \$ 3,000,000
B	AUTOMOBILE LIABILITY			29-CA-069971915-0	10/1/2017	10/1/2018	Directors & Officers Liability \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per person) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
							Uninsured motorist combined \$ 1,000,000
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR			29-UD-016698260-2	10/1/2017	10/1/2018	EACH OCCURRENCE \$ 5,000,000
	<input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE						AGGREGATE \$ 5,000,000
	DED <input checked="" type="checkbox"/> RETENTION \$ 10,000						\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			HCHS20180000011	2/1/2018	2/1/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A	(3a.) NH			E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below			All officers included			E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Blanket Crime			BDV1945863	3/27/2018	3/27/2019	Limit 500,000
E	Professional/Malpractice			HN020794	12/30/2017	12/30/2018	Limit: 1,000,000/3,000,000

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

**CERTIFICATE HOLDER****CANCELLATION**

NH Dept. of Health & Human Services 129 Pleasant Street Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE T Franggos/JSC <i>Jalitha Franggos</i>

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Phone (603) 225-3295  
 (800) 856-5525  
 Fax (603) 228-1898  
 Web www.bm-cap.org



BELKNAP-MERRIMACK COUNTIES, INC.  
 EMPOWERING COMMUNITIES SINCE 1985

2 Industrial Park Drive  
 P.O. Box 1016  
 Concord, NH  
 03302-1016

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

**STATEMENT OF PURPOSE**

The purpose the corporation includes providing assistance for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals to become fully self-sufficient through planning and coordinating the use of a broad range of federal, state, local, and other assistance (including private resources) related to the elimination of poverty; the organization of a range of services related to the needs of low-income families and individuals, so that these services may have a measurable and potentially major impact on the causes of poverty and may help the families and individuals to achieve self-sufficiency; the maximum participation of residents of the low-income communities and members of the groups served to empower such residents and members to respond to the unique problems and needs within their communities; and to secure a more active role in the provision of services for private, religious, charitable, and neighborhood-based organizations, individual citizens, and business, labor, and professional groups, who are able to influence the quantity and quality of opportunities and services for the poor.

(Approved by Agency Board of Directors on 02/24/05  
 as part of the Agency Bylaws.)

**CAPBMCI Statement of Purpose**

<b>ALTON</b> Senior Center..... 875-7102 Prospect View Housing.....875-3711	<b>CONCORD</b> Area Center..... 225-6880 Head Start..... 224-6492 Early Head Start..... 224-6492 Concord Area Meals on Wheels..... 225-9092 Concord Area Transit..... 225-1989 Horseshoe Pond Place..... 228-6956 WIC/CSFP..... 225-2050 Workplace Success..... 225-2305	<b>EPSOM</b> Meadow Brook Housing...736-8250  <b>FRANKLIN</b> Area Center..... 934-3444 Head Start..... 934-2161 Early Head Start..... 934-2161 Senior Center..... 934-4151 Riverside Housing..... 934-5340	<b>LACONIA</b> Area Center..... 524-5512 Head Start..... 528-5314 Early Head Start..... 528-5314 Senior Center..... 524-7689 Family Planning..... 524-5453 Workplace Success..... 524-4367	<b>NEWBURY</b> Newbury Commons Housing..... 763-0360  <b>PEMBROKE</b> Village at Pembroke Farms Housing..... 485-1842	<b>SUNCOOK</b> Area Center..... 485-7824 Senior Center..... 485-4254  <b>TILTON</b> Senior Center..... 527-8291  <b>WARNER</b> Area Center..... 456-2207 Head Start..... 456-2208 North Ridge Housing..... 456-3398
<b>BELMONT</b> Senior Center..... 267-8867 Heritage Terr. Housing..... 267-8801			<b>MEREDITH</b> Area Center..... 779-4036	<b>PITTSFIELD</b> Senior Center..... 435-8482 Head Start..... 435-6518 Early Head Start..... 435-6511	
<b>BRADFORD</b> Senior Center..... 938-2104					



*Financial Statements*

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

**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED FEBRUARY 28, 2017 AND FEBRUARY 29, 2016  
AND  
INDEPENDENT AUDITORS' REPORT**

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

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**Leone,  
McDonnell  
& Roberts**

PROFESSIONAL ASSOCIATION  
CERTIFIED PUBLIC ACCOUNTANTS  
WOLFEBORO • NORTH CONWAY  
DOVER • CONCORD

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

**INDEPENDENT AUDITORS' REPORT**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Community Action Program Belknap-Merrimack Counties, Inc. (a nonprofit organization), which comprise the statements of financial position as of February 28, 2017 and February 29, 2016, and the related statements of cash flows, and notes to the financial statements for the years then ended, and the related statements of activities and functional expenses for the year ended February 28, 2017.

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

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

**Auditors' Responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Action Program Belknap-Merrimack Counties, Inc. as of February 28, 2017 and February 29, 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Community Action Program Belknap-Merrimack Counties, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended February 29, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, the schedule of revenues and expenditures, and the schedule of refundable advances are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2017, on our consideration of Community Action Program Belknap-Merrimack Counties, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Community Action Program Belknap-Merrimack Counties, Inc.'s internal control over financial reporting and compliance.

*Leone McDonnell & Roberts  
Professional Association*

Concord, New Hampshire  
October 30, 2017



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

**STATEMENTS OF FINANCIAL POSITION  
FEBRUARY 28, 2017 AND FEBRUARY 29, 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,732,344	\$ 1,123,997
Accounts receivable	2,161,972	2,643,755
Inventory	21,530	29,923
Prepaid expenses	94,315	100,924
Investments	85,225	72,306
Total current assets	<u>4,095,386</u>	<u>3,970,905</u>
<b>PROPERTY</b>		
Land, buildings and improvements	4,618,289	4,618,289
Equipment, furniture and vehicles	5,838,444	5,942,708
Total property	<u>10,456,733</u>	<u>10,560,997</u>
Less accumulated depreciation	<u>6,818,622</u>	<u>6,824,303</u>
Property, net	<u>3,638,111</u>	<u>3,736,694</u>
<b>OTHER ASSETS</b>		
Due from related party	<u>139,441</u>	<u>139,441</u>
Total other assets	<u>139,441</u>	<u>139,441</u>
<b>TOTAL ASSETS</b>	<u>\$ 7,872,938</u>	<u>\$ 7,847,040</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Current portion of notes payable	\$ 163,753	\$ 154,380
Accounts payable	847,707	1,182,814
Accrued expenses	1,019,426	973,674
Refundable advances	1,159,331	1,122,035
Total current liabilities	<u>3,190,217</u>	<u>3,432,903</u>
<b>LONG TERM LIABILITIES</b>		
Notes payable, less current portion shown above	<u>1,151,156</u>	<u>1,312,780</u>
Total liabilities	<u>4,341,373</u>	<u>4,745,683</u>
<b>NET ASSETS</b>		
Unrestricted	2,887,454	2,485,093
Temporarily restricted	644,111	616,264
Total net assets	<u>3,531,565</u>	<u>3,101,357</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 7,872,938</u>	<u>\$ 7,847,040</u>

See Notes to Financial Statements

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

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED FEBRUARY 28, 2017  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED FEBRUARY 29, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
<b>REVENUES AND OTHER SUPPORT</b>				
Grant awards	\$ 15,822,185		\$ 15,822,185	\$ 16,076,420
Other funds	2,384,071	\$ 2,441,769	4,825,840	4,822,670
In-kind	1,100,528		1,100,528	906,423
United Way	43,751		43,751	33,840
Realized gain (loss) on sale of equipment	20,250		20,250	(164)
<b>Total revenues and other support</b>	<b>19,370,785</b>	<b>2,441,769</b>	<b>21,812,554</b>	<b>21,839,189</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>				
	<u>2,413,922</u>	<u>(2,413,922)</u>		
<b>Total</b>	<b>21,784,707</b>	<b>27,847</b>	<b>21,812,554</b>	<b>21,839,189</b>
<b>EXPENSES</b>				
Salaries and wages	7,973,527		7,973,527	8,035,121
Payroll taxes and benefits	1,997,820		1,997,820	2,120,907
Travel	277,832		277,832	289,250
Occupancy	1,134,026		1,134,026	1,024,305
Program services	7,104,507		7,104,507	7,324,464
Other costs	1,568,475		1,568,475	1,590,710
Depreciation	225,631		225,631	314,017
In-kind	1,100,528		1,100,528	906,423
<b>Total expenses</b>	<b>21,382,346</b>		<b>21,382,346</b>	<b>21,605,197</b>
<b>CHANGE IN NET ASSETS</b>	<b>402,361</b>	<b>27,847</b>	<b>430,208</b>	<b>233,992</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>2,485,093</b>	<b>616,264</b>	<b>3,101,357</b>	<b>2,867,365</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 2,887,454</b>	<b>\$ 644,111</b>	<b>\$ 3,531,565</b>	<b>\$ 3,101,357</b>

See Notes to Financial Statements

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

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED FEBRUARY 28, 2017 AND FEBRUARY 29, 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 430,208	\$ 233,992
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	225,631	314,017
(Gain) loss on sale of property	(20,250)	164
Decrease in current assets:		
Accounts receivable	481,783	261,265
Inventory	8,393	3,519
Prepaid expenses	6,609	87,622
(Decrease) increase in current liabilities:		
Accounts payable	(335,107)	(446,853)
Accrued expenses	45,752	(19,379)
Refundable advances	37,296	205,532
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>880,315</u>	<u>639,879</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property	(127,048)	(34,749)
Investment in partnership	(12,919)	(1,409)
Proceeds from sale of property	20,250	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(119,717)</u>	<u>(36,158)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term debt	(152,251)	(143,670)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(152,251)</u>	<u>(143,670)</u>
<b>NET INCREASE IN CASH</b>	608,347	460,051
<b>CASH BALANCE, BEGINNING OF YEAR</b>	<u>1,123,997</u>	<u>663,946</u>
<b>CASH BALANCE, END OF YEAR</b>	<u>\$ 1,732,344</u>	<u>\$ 1,123,997</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for interest	<u>\$ 109,150</u>	<u>\$ 121,170</u>

See Notes to Financial Statements

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

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED FEBRUARY 28, 2017  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED FEBRUARY 29, 2016**

	<u>Program</u>	<u>Management</u>	<u>2017 Total</u>	<u>2016 Total</u>
Salaries and wages	\$ 7,698,893	\$ 274,634	\$ 7,973,527	\$ 8,035,121
Payroll taxes and benefits	1,876,786	121,034	1,997,820	2,120,907
Travel	276,033	1,799	277,832	289,250
Occupancy	1,018,340	115,686	1,134,026	1,024,305
Program Services	7,104,507	-	7,104,507	7,324,464
Other costs:				
Accounting fees	9,371	39,517	48,888	47,150
Legal fees	45,214	233	45,447	17,957
Supplies	226,486	32,705	259,191	259,621
Postage and shipping	53,947	1,153	55,100	58,272
Equipment rental and maintenance	5,118	385	5,503	3,525
Printing and publications	4,278	9,689	13,967	2,757
Conferences, conventions and meetings	15,331	12,297	27,628	30,932
Interest	103,199	5,951	109,150	121,170
Insurance	118,050	39,980	158,030	193,894
Membership fees	12,119	7,553	19,672	30,505
Utility and maintenance	67,380	56,036	123,416	140,087
Computer services	10,611	26,067	36,678	38,069
Other	646,214	19,591	665,805	646,771
Depreciation	220,884	4,747	225,631	314,017
In kind	1,100,528	-	1,100,528	906,423
Total functional expenses	<u>\$ 20,613,289</u>	<u>\$ 769,057</u>	<u>\$ 21,382,346</u>	<u>\$ 21,605,197</u>

See Notes to Financial Statements

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

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

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

**Nature of Organization**

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

**Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) of the United States.

**Financial Statement Presentation**

Financial statement presentation follows the recommendations of the FASB in its Accounting Standard Codification No. 958 *Financial Statements of Not-For-Profit Organizations*. Under FASB ASC No. 958, 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. The classes of net assets are determined by the presence or absence of donor restrictions. As of February 28, 2017 the Organization had no permanently restricted net assets and had temporarily restricted net assets of \$644,111.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended February 29, 2016, from which the summarized information was derived.

**Income Taxes**

The Organization is organized as a nonprofit corporation and is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Internal Revenue Service has determined them to be other than a private foundation.

The Organization files information returns in the United States and the State of New Hampshire. The Organization is no longer subject to examinations by tax authorities for years before 2013.

Accounting Standard Codification No. 740 (ASC 740), *Accounting for Income Taxes*, established the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. The Organization has analyzed its tax position taken on its information returns for the years (2013 through 2016), and has concluded that no additional provision for income taxes is necessary in the Organization's financial statements.

### **Property**

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

Buildings and improvements	40 years
Equipment, furniture and vehicles	3 - 7 years

### **Use of Estimates**

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the 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. The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to these accounts.

### **Contributions**

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

### **Contributed Services**

Donated services are recognized as contributions in accordance with FASB ASC No. 958, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, and would otherwise be purchased by the Agency.

Volunteers provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under FASB ASC No. 958 were not met.

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

Donated facilities, services and supplies are reflected as revenue and expense in the accompanying financial statements, if the criteria for recognition is met. This represents the estimated fair value for the service, supplies and space that the Organization might incur under normal operating activities. The Organization received \$1,100,528 in donated facilities, services and supplies for the year ended February 28, 2017 as follows:

The Organization receives contributed professional services that are required to be recorded in accordance with FASB ASC No. 958. The estimated fair value of these services was determined to be \$200,362 for the year ended February 28, 2017.

The Organization also receives contributed food commodities and other goods that are required to be recorded in accordance with FASB ASC No. 958. The estimated fair value of these food commodities and goods was determined to be \$898,566 for the year ended February 28, 2017.

The Agency pays below-market rent for the use of certain facilities. In accordance with generally accepted accounting principles, the difference between amounts paid for the use of the facilities and the fair market value of the rental space has been recorded as an in-kind donation and as an in-kind expense in the accompanying financial statements. The estimated fair value of the donation was determined to be \$1,600 for the year ended February 28, 2017.

### **Advertising**

The Organization expenses advertising costs as they are incurred. Total advertising costs for the year ended February 28, 2017 amounted to \$46,709.

## **2. ACCOUNTS RECEIVABLE**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for uncollectible accounts was estimated to be zero at February 28, 2017. The Organization has no policy for charging interest on overdue accounts.

## **3. REFUNDABLE ADVANCES**

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services or expenditures are performed or incurred. Funds received in advance of grantor conditions being met aggregated \$1,159,331 as of February 28, 2017.

## **4. RETIREMENT PLAN**

The Organization has a qualified contributory pension plan which covers substantially all employees. The cost of the plan is charged to programs administered by the Organization. The expense of the plan for the year ended February 28, 2017 totaled \$207,607.

5. **LEASED FACILITIES**

Facilities occupied by the Organization for its community service programs are leased under various operating leases. The lease terms range from month to month to twenty years. For the year ended February 28, 2017, the annual lease expense for the leased facilities was \$464,831.

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

<u>Year Ended</u> <u>February 28</u>	<u>Amount</u>
2018	\$ 336,450
2019	107,326
2020	94,916
2021	88,762
2022	88,762
Thereafter	<u>1,142,527</u>
Total	<u>\$ 1,858,743</u>

6. **ACCRUED EARNED TIME**

The Organization has accrued a liability for future annual leave time that its employees have earned and vested with the employees in the amount of \$403,742 at February 28, 2017.

7. **BANK LINE OF CREDIT**

The Organization has a \$200,000 revolving line of credit agreement (the line) with a bank that is due on demand. The line calls for monthly variable interest payments based on the Wall Street Journal Prime Rate (3.75% for the year ended February 28, 2017) plus 1%, but not less than 6% per annum. The line is secured by all the Organization's assets. There was no outstanding balance on the line at February 28, 2017.

8. **LONG TERM DEBT**

Long term debt consisted of the following as of February 28, 2017:

5.75% note payable to a financial institution in monthly installments for principal and interest of \$12,373 through July, 2023. The note is secured by property of the Organization for Lakes Region Family Center.

\$ 891,657

3% note payable to the City of Concord for leasehold improvements in monthly installments for principal and interest of \$747 through May, 2027. The note is secured by property of the Organization for the agency administrative building renovations.

78,987



Note payable to a bank in monthly installments for principal and interest of \$4,842 through May, 2023. Interest is stated at 1% above the prime rate as published by the Wall Street Journal, which resulted in an interest rate of 4.75% at February 28, 2017. The note is secured by a first real estate mortgage and assignment of rents and leases on property located in Concord, New Hampshire for Early Head Start.

325,825

4.75% note payable to Rural Development in monthly installments for principal and interest of \$148 per month through June, 2031. The note is secured by property of the Organization for the Franklin Community Services building.

18,440

Total 1,314,909

Less amounts due within one year 163,753

Long term portion \$ 1,151,156

The scheduled maturities of long term debt as of February 28, 2017 were as follows:

<u>Year Ending February 28</u>	<u>Amount</u>
2018	\$ 163,753
2019	173,709
2020	184,280
2021	195,505
2022	207,428
Thereafter	<u>390,234</u>
	<u>\$ 1,314,909</u>

9. **PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of February 29, 2017:

Land	\$ 168,676
Building and improvements	4,449,613
Equipment and vehicles	<u>5,838,444</u>
	10,456,733
Less accumulated depreciation	<u>6,818,622</u>
Property and equipment, net	<u>\$ 3,638,111</u>

Depreciation expense for the year ended February 28, 2017 was \$225,631.

10. **CONTINGENCIES**

The Organization receives grant funding from various sources. Under the terms of these agreements, the Organization is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If expenditures were found not to have been made in compliance with the laws and regulations, the Organization might be required to repay the funds. No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed as of February 28, 2017. Monitoring has not indicated any discrepancies.

11. **CONCENTRATION OF RISK**

For the year ended February 28, 2017, approximately \$9,500,000 (44%) of the Organization's total revenue was received from the Department of Health and Human Services. The future scale and nature of the Organization is dependent upon continued support from this department.

12. **TEMPORARILY RESTRICTED NET ASSETS**

At February 28, 2017, temporarily restricted net assets consisted of the following unexpended, purpose restricted donations:

**Restricted Purpose**

Senior Center	\$ 128,333
Elder Services	297,725
NH Charitable Foundation, Mary Gale	22,064
NH Rotary Food Challenge	5,067
Common Pantry	6,472
Community Crisis	3,578
Caring Fund	16,090
Agency-FAP	12,793
Agency-H/S	149,805
FGP/SCP Assoc. Region 1	157
Agency-WIC/CSFP	1,864
Other Programs	663
	<u>\$ 644,111</u>

13. **RELATED PARTY TRANSACTIONS**

The Organization is related to the following corporation as a result of common management:

<b><u>Related Party</u></b>	<b><u>Function</u></b>
CAPBMC Development Corporation	Real Estate Development

There was \$139,441 due from CAPBMC Development Corporation at February 28, 2017.

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

<u>Related Party</u>	<u>Function</u>
Belmont Elderly Housing, Inc.	HUD Property
Epsom Elderly Housing, Inc.	HUD Property
Alton Housing for the Elderly, Inc.	HUD Property
Pembroke Housing for the Elderly, Inc.	HUD Property
Newbury Elderly Housing, Inc.	HUD Property
Kearsarge Elderly Housing, Inc.	HUD Property
Riverside Housing Corporation	HUD Property
Sandy Ledge Limited Partnership	Low Income Housing Tax Credit Property
Twin Rivers Community Corporation	Property Development
Ozanam Place, Inc.	Transitional Supportive Services
TRCC Housing Limited Partnership	Low Income Housing Tax Credit Property

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

The total amount due from the related parties (collectively) at February 28, 2017 was \$88,933 and is included in accounts receivables.

**14. RECLASSIFICATION**

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

**15. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Community Action Program Belknap-Merrimack Counties, Inc. has also invested money relating to its Fix-it program in certain mutual funds. The fair value of the mutual funds totaled \$84,225 at February 28, 2017.

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

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

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

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

At February 28, 2017, the Organization's investments were classified as Level 1 and were based on fair value.

Fair Value Measurements using Significant Observable Inputs (Level 1)

Beginning balance – mutual funds	\$ 72,306
Total gains (losses) - realized /unrealized	11,443
Purchases	<u>476</u>
Ending Balance – mutual funds	<u>\$ 84,225</u>

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

The Organization invested \$1,000 during the year ended February 28, 2017 in a Partnership, The Lakes Region Partnership for Public Health.

**16. FISCAL AGENT**

Community Action Program Belknap-Merrimack Counties, Inc. acts as the fiscal agent for the following community organizations: Franklin Community Services Building (Franklin), the Common Pantry (Laconia), the Caring Fund (Meredith), the NH Food Pantry Coalition, the NH Rotary Food Challenge and FGP/SCP Association Region 1. The Agency provides the management and oversight of the revenues received (donations) and the expenses (utilities, food and emergency services).

**17. SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date, but before the 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 October 30, 2017, the date the financial statements were available to be issued.

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**SUPPLEMENTAL INFORMATION**

**(See Independent Auditors' Report)**

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED FEBRUARY 29, 2017**

FEDERAL GRANTOR PROGRAM TITLE	CFDA NUMBER	PASS THROUGH NAME	IDENTIFYING NUMBER	EXPENDITURES	PASSED THROUGH TO SUB-RECIPIENTS
<b>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
Head Start	93.600		01CH2052-03-01	\$ 3,619,469	
Low Income Home Energy Assistance Program	93.668	State of New Hampshire	17B1NH-ILIEA	3,340,789	
Low Income Home Energy Assistance Program-WX	93.668	State of New Hampshire	0-17B1NH-ILIEA	48,245	
Low Income Home Energy Assistance Program-HRRP	93.668	State of New Hampshire	0-16B1NH-ILIEA	97,640	
			<b>TOTAL</b>	<b>3,486,684</b>	
Community Services Block Grant	93.569	State of New Hampshire	0-16B1NH-CG08R	369,519	
Social Services Block Grant-Home Delivered & Congregate	93.667	State of New Hampshire	05-95-48-481010-9255	271,478	
Social Services Block Grant-Service Link	93.667	State of New Hampshire	90AM221202	87,673	
			<b>TOTAL</b>	<b>329,051</b>	
<b>TANF CLUSTER</b>					
Temporary Assistance for Needy Families-Family Planning	93.658	State of New Hampshire	1602NH-TANF	21,825	
Temporary Assistance for Needy Families-Workplace Success	93.658	Southern New Hampshire Services	05-95-45-160010-61270000	182,036	
			<b>CLUSTER TOTAL</b>	<b>203,861</b>	
<b>AGING CLUSTER</b>					
Title III, Part B-Senior Transportation	93.044	State of New Hampshire	17AANH-T3SS	112,235	
Title III, Part B-SEAS	93.044	State of New Hampshire	17AANH-T3SP	924	
Title III, Part C-Congregate Meals	93.045	State of New Hampshire	17AANH-T3CM	180,171	
Title III, Part C-Home Delivered	93.045	State of New Hampshire	17AANH-T3HD	362,990	
NSIP	93.053	State of New Hampshire	1056477	214,930	
			<b>CLUSTER TOTAL</b>	<b>871,310</b>	
<b>CHILD CARE AND DEVELOPMENT FUND CLUSTER</b>					
Child Care & Development Block Grant	93.576	State of New Hampshire		73,939	
Child Care Mandatory & Matching Funds of the CCDF	93.598	State of New Hampshire		89,653	
			<b>CLUSTER TOTAL</b>	<b>163,592</b>	
<b>MEDICAID CLUSTER</b>					
Medical Assistance Program-Service Link	93.778	State of New Hampshire	90NHPC0008-01-00	8,747	
Medical Assistance Program-Veterans Independent Program	93.778	Galewya Community Services		18,949	
Medical Assistance Program-Veterans Program	93.778	Easter Seals of NH, Inc.		5,764	
			<b>CLUSTER TOTAL</b>	<b>34,460</b>	
Family Planning - Services	93.217	State of New Hampshire	FFHPAD15063	99,636	
HIV Preventative Activities - Health Dept. Based-Family Planning	93.940	State of New Hampshire	U62PS003855	5,383	
ACA - Maternal, Infant, & Early Childhood Home Visiting Program	93.605	State of New Hampshire	05-95-90-902010-0831	95,188	
Maternal & Child Health Services Block Grant to the States	93.534	State of New Hampshire	804MC25113	21,518	
State Health Insurance Assistance Program-Service Link	93.324	State of New Hampshire	80SAD003-02-00	22,131	
National Family Caregiver Support, Title III, Part E-Service Link	93.052	State of New Hampshire	17AANH-T3FC	32,295	
Special Programs for Aging, Title IV-Service Link	93.048	State of New Hampshire	90MP024102	79,489	
CMS Research Demonstrations & Evaluations	93.779	State of New Hampshire	80SAD003-02-00	1,346	
Medicare Enrollment Assistance Program	93.071	State of New Hampshire	14AANH-WADR	22,188	
			<b>CLUSTER TOTAL</b>	<b>645,828</b>	
			<b>HHS TOTAL</b>	<b>\$ 9,453,996</b>	
<b>US DEPARTMENT OF AGRICULTURE</b>					
Special Suppl. Nutrition Program for Women, Infants & Children	10.557	State of New Hampshire	15154NH03W1003	688,034	
Special Suppl. Nutrition Program for Women, Infants & Children	10.557	State of New Hampshire	15154NH03W5000	28,400	
			<b>TOTAL</b>	<b>716,434</b>	
Senior Farmers Market	10.578	State of New Hampshire	15154NH03Y8304	8,579	
Senior Farmers Market	10.578	State of New Hampshire	15154NH03Y8303	71,802	
			<b>TOTAL</b>	<b>80,381</b>	
Child & Adult Care Food Program	10.658	State of New Hampshire	NONE	228,848	
<b>CHILD NUTRITION CLUSTER</b>					
Summer Food Service Program For Children	10.559	State of New Hampshire	NONE PROVIDED	476,176	
<b>FOOD DISTRIBUTION CLUSTER</b>					
Commodity Supplemental Food Program	10.563	State of New Hampshire	15154NH014Y8009	728,389	\$ 655,093
Emergency Food Assistance Program-Administration	10.568	State of New Hampshire	81750000	194,998	
Emergency Food Assistance Program	10.568	State of New Hampshire	81750000	1,872,658	1,872,658
			<b>CLUSTER TOTAL</b>	<b>2,896,045</b>	<b>\$ 2,227,851</b>
Rural Housing Preservation Grants	10.430	Rural Development	0348-9004	300	
			<b>USDA TOTAL</b>	<b>\$ 3,787,942</b>	
<b>CORPORATION FOR NATIONAL &amp; COMMUNITY SERVICES</b>					
FOSTER GRANDPARENTS/SENIOR COMPANION CLUSTER					
Senior Companion Program	94.016		16SCANH001	\$ 383,672	
<b>US DEPARTMENT OF TRANSPORTATION</b>					
Formula Grants for Rural Areas-Concord Transit	20.509	State of New Hampshire-Department of Transportation	NH-18-X048	651,303	
Formula Grants for Rural Areas-Winnipesaukee Transit	20.509	State of New Hampshire-Department of Transportation	NH-18-X048	59,887	
			<b>TOTAL</b>	<b>610,690</b>	
<b>TRANSIT SERVICES PROGRAMS CLUSTER</b>					
Enhanced Mobility of Seniors & Ind. W/Disabilities-CAT	20.513	State of New Hampshire-Department of Transportation	NH-18-X043	23,195	
Enhanced Mobility of Seniors & Ind. W/Disabilities-Rural Transportation	20.513	State of New Hampshire-Department of Transportation	NH-18-X043	123,778	
Enhanced Mobility of Seniors & Ind. W/Disabilities-Volunteer Drivers	20.513	Merimack County	NH-65-X001	71,800	
			<b>CLUSTER TOTAL</b>	<b>218,773</b>	
			<b>DOT TOTAL</b>	<b>\$ 829,463</b>	
<b>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
Supportive Housing Program-Outreach	14.235	State of New Hampshire	NONE PROVIDED	18,749	
Supportive Housing Program-Homeless	14.235	State of New Hampshire	NONE PROVIDED	11,434	
Supportive Housing Program	14.235	State of New Hampshire	05-95-42-423010-7927-102-500731	68,508	
			<b>TOTAL</b>	<b>88,691</b>	
Emergency Solutions Grant	14.231	State of New Hampshire	05-95-42-423010-7927-102-500731	14,535	

Continuum of Care Program	14.267	State of New Hampshire	05-95-42-422010-7927-102-500731	54,887
Healthy Homes Technical Studies Grants-Radon Program	14.908	National Center for Healthy Housing	NCHH-14-1233	2,245
			HUD TOTAL	\$ 159,362
<b>US DEPARTMENT OF ENERGY</b>				
Weatherization Assistance for Low Income Persons	81.042	State of New Hampshire	EE0005189	\$ 188,100
<b>US DEPARTMENT OF LABOR</b>				
Senior Community Service Employment Program	17.235	State of New Hampshire	1044701	471,106
<b>WIA/WIOA CLUSTER</b>				
WIA/WIOA - Adult Program	17.258	Southern New Hampshire Services	0510-53360000-102-500731	61,577
WIA/WIOA - Dislocated Worker Formula Grants	17.278	Southern New Hampshire Services	0510-53360000-102-500731	69,104
			CLUSTER TOTAL	129,681
			DOL TOTAL	\$ 689,187
			TOTAL	\$ 15,332,722 \$ 2,127,851

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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

**NOTE 1**

**BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Community Action Program Belknap-Merrimack Counties, Inc. under programs of the federal government for the year ended February 28, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Community Action Program Belknap-Merrimack Counties, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE 2**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3**

**INDIRECT COST RATE**

Community Action Program Belknap-Merrimack Counties, Inc. has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

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**NOTE 4**

**FOOD COMMODITIES**

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



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

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

To the Board of Directors  
Community Action Program Belknap-Merrimack Counties, Inc.  
Concord, 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 financial statements of Community Action Program Belknap-Merrimack Counties, Inc. (a nonprofit organization), which comprise the statement of financial position as of February 28, 2017, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 30, 2017.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Community Action Program Belknap-Merrimack Counties, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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*

Concord, New Hampshire  
October 30, 2017

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

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

To the Board of Directors  
Community Action Program Belknep-Merrimack Counties, Inc.  
Concord, New Hampshire

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

We have audited Community Action Program Belknep-Merrimack Counties, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Action Program Belknep-Merrimack Counties, Inc.'s major federal programs for the year ended February 28, 2017. Community Action Program Belknep-Merrimack Counties, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Community Action Program Belknep-Merrimack Counties, 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Action Program Belknep-Merrimack Counties, 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 of Community Action Program Belknep-Merrimack Counties, Inc.'s compliance.

**Opinion on Each Major Federal Program**

In our opinion, Community Action Program Belknap-Merrimack Counties, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended February 28, 2017.

**Report on Internal Control Over Compliance**

Management of Community Action Program Belknap-Merrimack Counties, 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 Community Action Program Belknap-Merrimack Counties, 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Action Program Belknap-Merrimack Counties, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Leone McDonnell & Roberts  
Professional Association*

Concord, New Hampshire  
October 30, 2017

COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTIES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED FEBRUARY 28, 2017

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Community Action Program Belknap-Merrimack Counties, Inc. were prepared in accordance with generally accepted accounting principles.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Community Action Program Belknap-Merrimack Counties, Inc., which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and On Internal Control Over Compliance Required by the Uniform Guidance*. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for Community Action Program Belknap-Merrimack Counties, Inc. expresses an unmodified opinion on all major programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs include:
  - 93.568 Low-Income Home Energy Assistance
  - 17.235 Senior Community Service Employment Program
  - FOOD DISTRIBUTION CLUSTER**
  - 10.565 Commodity Supplemental Food Program
  - 10.568 Emergency Food Assistance Program (Administrative Costs)
  - 10.569 Emergency Food Assistance Program (Food Commodities)
  - NON-FEDERAL**
  - NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION, Electric Assistance Program
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Community Action Program Belknap-Merrimack Counties, Inc. was determined to be a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

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

None

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**SCHEDULE OF REVENUES AND EXPENSES  
FOR THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM - CFDA 93.568  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

	<u>Grant Period 10/1/15-9/30/16</u>	<u>Grant Period 10/1/16-9/30/17</u>	<u>Total</u>
<b>Revenues</b>			
Division of Human Resources	\$ 840,711	\$ 2,500,088	\$ 3,340,799
Agency support	<u>36,288</u>	<u>-</u>	<u>36,288</u>
	<u>\$ 876,999</u>	<u>\$ 2,500,088</u>	<u>\$ 3,377,087</u>
<b>Expenditures</b>			
Personnel	\$ 153,685	\$ 196,427	\$ 350,112
Fringe benefits	18,011	37,936	55,947
Travel	3,783	2,213	5,996
Occupancy	29,956	25,603	55,559
Direct program costs	635,259	2,213,931	2,849,190
Other costs	<u>36,305</u>	<u>23,978</u>	<u>60,283</u>
	<u>\$ 876,999</u>	<u>\$ 2,500,088</u>	<u>\$ 3,377,087</u>

See Independent Auditors' Report

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**SCHEDULE OF REVENUES AND EXPENSES  
FOR THE SENIOR COMPANION PROGRAM - CFDA 94.016  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

	<u>Grant Period</u> <u>7/1/15 - 6/30/16</u>	<u>Grant Period</u> <u>7/1/16 - 6/30/17</u>	<u>Total</u>
<b>Revenues</b>			
Corporation for National Services	<u>\$ 130,956</u>	<u>\$ 202,716</u>	<u>\$ 333,672</u>
<b>Expenditures</b>			
Personnel	\$ 97,392	\$ 154,275	\$ 251,667
Fringe benefits	(8,582)	19,414	10,832
Travel	29,917	27,146	57,063
Other costs	<u>12,229</u>	<u>1,881</u>	<u>14,110</u>
	<u>\$ 130,956</u>	<u>\$ 202,716</u>	<u>\$ 333,672</u>

See Independent Auditors' report



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

**SCHEDULE OF REVENUES AND EXPENSES  
FOR THE HEAD START PROGRAM - CFDA 93.600  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

	<u>Grant Period</u> <u>1/1/16-12/31/16</u>	<u>Grant Period</u> <u>1/1/17-12/31/17</u>	<u>Total</u>
<b>Revenues</b>			
U.S. Department of Health and Human Services	\$ 3,014,211	\$ 605,248	\$ 3,619,459
In-Kind	430,127	130,994	561,121
Other	<u>21,022</u>	<u>-</u>	<u>21,022</u>
	<u>\$ 3,465,360</u>	<u>\$ 736,242</u>	<u>\$ 4,201,602</u>
<b>Expenditures</b>			
Personnel	\$ 1,919,792	\$ 421,587	\$ 2,341,379
Fringe benefits	307,344	32,948	340,292
Travel	36,960	7,205	44,165
Occupancy	295,062	63,268	358,330
In-Kind	430,127	130,994	561,121
Other costs	<u>476,113</u>	<u>80,240</u>	<u>556,353</u>
	<u>\$ 3,465,398</u>	<u>\$ 736,242</u>	<u>\$ 4,201,640</u>

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

**SCHEDULE OF REVENUES AND EXPENSES  
FOR THE NUTRITION AND ELDER SERVICES PROGRAM -  
CFDA 93.045, 93.667 and 93.053  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

	<u>Grant Period</u> <u>7/1/15 - 6/30/16</u>	<u>Grant Period</u> <u>7/1/16 - 6/30/17</u>	<u>Total</u>
<b>Revenues</b>			
NH Department of Health and Human Services			
Title XX	\$ 150,685	\$ 325,417	\$ 476,102
Title III Part C	300,912	652,003	952,915
NH Department of Health and Human Services, NSIP	104,603	110,386	214,989
Other	<u>224,628</u>	<u>448,066</u>	<u>672,694</u>
	<u>\$ 780,828</u>	<u>\$ 1,535,872</u>	<u>\$ 2,316,700</u>
<b>Expenditures</b>			
Personnel	\$ 354,050	\$ 692,468	\$ 1,046,518
Fringe benefits	42,442	86,697	129,139
Occupancy	60,226	130,123	190,349
Travel	45,584	82,183	127,767
Other costs	<u>258,931</u>	<u>503,842</u>	<u>762,773</u>
	<u>\$ 761,233</u>	<u>\$ 1,495,313</u>	<u>\$ 2,256,546</u>

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

**SCHEDULE OF REVENUES AND EXPENSES  
FOR THE ELECTRIC ASSISTANCE PROGRAM  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

	<u>Grant Period</u> <u>10/1/15-9/30/16</u>	<u>Grant Period</u> <u>10/1/16-9/30/17</u>	<u>Total</u>
<b>Revenues</b>	<u>\$ 875,325</u>	<u>\$ 1,063,733</u>	<u>\$ 1,939,058</u>
<b>Expenditures</b>			
Personnel	\$ 162,337	\$ 134,123	\$ 296,460
Fringe benefits	24,448	23,884	48,332
Travel	3,020	1,958	4,978
Occupancy	14,738	13,333	28,071
Other costs	<u>670,432</u>	<u>890,435</u>	<u>1,560,867</u>
	<u>\$ 874,975</u>	<u>\$ 1,063,733</u>	<u>\$ 1,938,708</u>

**Note:**

Tested as a major program for the year ended February 28, 2017. See Schedule of Findings and Questioned Costs on page 22.

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

SCHEDULE OF REVENUES AND EXPENSES - BY PROGRAM  
FOR THE YEAR ENDED FEBRUARY 28, 2017

	<u>Revenues</u>	<u>Expenditures</u>
Twin River Community Corp (055 & 056)	38,416	42,468
Cottage Hotel (066 & 067)	10,567	10,567
Sandy Ledge (095 & 096)	8,786	24,981
Ozanam (106 & 107)	12,000	18,697
Food Pantry (131)	21,075	15,533
Senior Center Program (138)	28,594	26,409
Franklin Intergenerational (186 & 187)	13,959	760
Mary Gale (207)	25,000	2,936
Senior Companion Program - Non Federal (225 & 226)	45,482	77,986
Senior Companion Program - State (235 & 236)	15,832	15,832
Franklin Community Services (295 & 296)	22,510	27,405
Head Start - Childcare (355 & 356)	1,097,490	797,744
Lakes Region Family Center (385 & 386)	158,231	158,231
NH Modular Ramp (434 & 435)	1,195	3,633
New Hampshire Housing Guarantee Program (495 & 496)	194,402	194,402
<hr/>		
Core Program (505 & 506)	614,981	579,366
Common Pantry (555 & 556)	50	113
Oral Health WIC (600)	13,133	1,418
Epsom Elderly Housing (645 & 646)	63,640	63,640

See Independent Auditors' Report

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

SCHEDULE OF REVENUES AND EXPENSES - BY PROGRAM  
FOR THE YEAR ENDED FEBRUARY 28, 2017

	<u>Revenues</u>	<u>Expenditures</u>
Belmont Housing (656 & 657)	63,054	63,054
Alton Housing (666 & 667)	60,766	60,766
Kearsarge Housing (676 & 677)	69,648	67,831
Riverside Housing (686 & 687)	69,801	68,026
Pembroke Housing (701 & 702)	58,762	58,762
Homeless Revolving Loan (728)	5,909	5,909
Area Centers (766 & 767)	193,542	267,685
THE FIXIT Program (836 & 837)	-	1,185
Loan Guarantee Program (847)	34,483	34,483
MC Loan Guarantee Program (848)	3,283	3,283
The Caring Fund (866 & 867)	324	2,751
FGP/SCP Association Region 1 (875)	-	875
Agency WIC/CSFP (883)	4,417	1,306
Newbury Elderly Housing (885 & 886)	38,637	38,637
Housing Futures (897)	12,000	12,000
Agency Account (911 & 980)	145,341	147,450
Agency Account FAP (922)	83,987	97,662
Agency Account SCP (935 & 936)	9,751	3,589
H/S Agency (946 & 947)	22,692	25,330
Agency Development Fund (981)	27,351	37,305

See Independent Auditors' Report

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

SCHEDULE OF REFUNDABLE ADVANCES  
FOR THE YEAR ENDED FEBRUARY 28, 2017

<u>FUND #</u>	<u>FUND NAME</u>	<u>HHS PROGRAM CFDA#</u>	<u>AMOUNT</u>
128	EAP-Lead Agency		\$ 18,203
147	Merrimack County Service Link	93.778	114,553
198	Electric Assistance Program		49,915
497	NH Housing Guarantee Program		88,811
548	Summer Feeding		49,271
577	Fuel Assistance Program	93.568 (3,041 of deferred amount is not federal)	232,180
595	Homeless Prevention		222,363
717	Concord Area Transit		47,148
728	Homeless Revolving Loan Fund-Belknap County		30,407
729	Homeless Revolving Loan Fund-Merrimack County		8,179
737	Winnepesaukee Transit		18,892
837	FixIt Program		84,540
858	New Start Program		113,347
876	Emergency Solutions Grant		1,694
883	Agency Account-WIC/CSFP		1,250
908	Community Services Block Grant	93.569	72,913
947	Agency Account-Head Start		<u>5,667</u>
		<b>TOTAL</b>	<b><u>\$ 1,159,331</u></b>

Effective March 2018

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

**BOARD OF DIRECTORS**

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Sara A. Lewko, <i>President</i>	Susan Koerber
<i>Vice President - Vacant</i>	Bill Johnson
Dennis Martino, <i>Secretary-Clerk</i>	David Siff
Kathy Goode, <i>Treasurer</i>	Christine Averill
Heather Brown	Safiya Wazir
Nicolette Clark	Kathryn Hans
Theresa M. Cromwell	

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## John Paul Nadeau

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### Work Experience:

**Community Action Program Belknap-Merrimack Counties, Inc. Concord, NH** 1/2018 - Present  
**Outreach Worker**

Assures that all persons who are unsheltered homeless gain access to appropriate shelter and other necessary services through aggressive outreach and intervention. Identify clients who are unsheltered homeless via direct outreach activities and through reports from police, shelters, soup kitchens, human service providers, churches, and others. Initiate contact and establish working relationships with the unsheltered homeless who live in abandoned buildings, parking garages, public buildings, tent sites, shanties, parks and under bridges for the purpose of attaining adequate shelter and access to needed services. Assist shelter providers in arranging alternative shelter for homeless individuals/families being turned away due to capacity or criteria problems. Assess the immediacy of need and type of appropriate intervention specific to homeless individuals / families considering factors such as weather, physical condition/appearance, indicators of emotional / mental stability, indicators of substance abuse, and willingness to accept help.

**VAMC, Manchester, NH** 12/2016 - 9/2017  
**Advanced Medical Support Assistant** (This is a federal job)

Worked collaboratively in an interdisciplinary coordinated care delivery model; performed administrative duties; screened and received phone calls in a courteous and timely manner; assisted with making and adjusting appointments; communicated with clinical staff to ensure continuity of care and services; independently problem solved and managed position responsibilities with little to no supervision

**Yankee Book Peddler/Ebsco, Contoocook, NH** 11/2015 - 06/2016  
**Book Processing Technician**

Responsibilities include recording product, packaging, and recording order information on specified forms and records to ensure customers are receiving correct product. This is done by using a metrics based software which tracks production of the individual and indicating to the system what orders have been fulfilled. The standard expectation for an employee is approximately 110 products per hour and I consistently meet or exceed these requirements.

**Aldrich Vending, Concord, NH** 05/2014 - 12/2014  
**Vendor**

I quickly and efficiently serviced machines, with products, ingredients, money, and other supplies. Keep records of merchandise distributed and money collected. Collect coins and bills and restock up to 20 machines daily, ensuring each machine was properly stocked (approximately 1400 items per day or 50 to 150 per machine) and outfitted for use.

**State of New Hampshire- Court System, Concord,** 11/2011 - 05/2014  
**Court Officer**

I was responsible for managing order, within the courtroom and adjacent areas, including but not limited to, removing unruly persons, protecting judges, jurors, court personnel, prisoners and the public, and ensuring court guidelines are adhered to. I performed security screenings and remove illegal arms or contraband as necessary, and exercised the power of arrest in exceptional circumstances. I would perform a number of clerical functions for judges and the clerk's office as needed. These functions included but were not limited to case file management, accounting for present parties in closed hearings, tracking a manifest of scheduled hearings to ensure timely proceedings.

**Concord Hospital, Concord, NH - Security Officer** 10/2010 - 03/2012

**Cigna Healthcare, Hooksett, NH - Universal Agent** 02/2007 - 10/2007

**U.S. Army, Ft. Eustis, VA - Combat Medic** 09/2002 - 09/2006

Hesser College Concord, NH Associate's Degree 08/2009

Animal Behavior College Valencia, CA Technical or Occupational Certificate

Management of Aggressive Behaviors Oct 2010

Court Security Officer Training Course Nov 2012



# Kendra Pio

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## OBJECTIVE

To obtain a full time position that I can grow with.

## WORK EXPERIENCE

<b>Outreach Worker</b> <b>Community Action Program Belknap-Merrimack Counties, Inc. - Concord, NH</b> Assures that all persons who are unsheltered homeless gain access to appropriate shelter and other necessary services through aggressive outreach and intervention. Identify clients who are unsheltered homeless via direct outreach activities and through reports from police, shelters, soup kitchens, human service providers, churches, and others. Initiate contact and establish working relationships with the unsheltered homeless who live in abandoned buildings, parking garages, public buildings, tent sites, shanties, parks and under bridges for the purpose of attaining adequate shelter and access to needed services. Assist shelter providers in arranging alternative shelter for homeless individuals/families being turned away due to capacity or criteria problems. Assess the immediacy of need and type of appropriate intervention specific to homeless individuals/families considering factors such as weather, physical condition/appearance, indicators of emotional/mental stability, indicators of substance abuse, and willingness to accept help.	<b>2018-04 - Present</b>
<b>Program Monitor</b> <b>Criminal Resources for Justice - Manchester, NH</b>	<b>2017-10 - 2018-03</b>
<b>Leasing Consultant</b> <b>Dolben Company - Penacook, NH</b> Leased apartments for two apartment communities.	<b>2015-08 - 2017-09</b>
<b>Cashier</b> <b>Harley Davidson - Meredith, NH</b> NH bike week - cashier, stocking, floor assistance, organizing, customer service. Temp position.	<b>2016-06 - 2016-07</b>
<b>Safety &amp; Security Advisor</b> <b>NH Job Corps - Manchester, NH</b>	<b>2016-01 - 2016-06</b>
<b>Licensed Nurse Assistant</b> <b>American Red Cross - Concord, NH</b> First Aid/CPR/AED Certified Clinical; specializing in dementia/Alzheimer's unit	<b>2015-10 - 2015-12</b>
<b>Stay at Home Parent Self - Pembroke, NH</b>	<b>2014-12 - 2015-12</b>
<b>Owner K &amp; N Cleaning</b>	<b>2007-02 - 2010-08</b>
<b>Security Guard Securitas Security Services - Concord, NH</b>	<b>2008-08 - 2009-11</b>
<b>Host TGI Fridays -</b>	<b>2006-08 - 2007-09</b>

## EDUCATION

LNA in Medical  
American Red Cross - Concord, NH 2015 - 2015  
Associates in Criminal Justice  
  
FRANKLIN PIERCE UNIVERSITY - Concord, NH 2007 - 2009  
Diploma  
  
PROSPECT MOUNTAIN HIGH SCHOOL - Alton, NH 2004 - 2006  
New Hampshire Technical Institute - Concord, NH

**AWARDS** - Deans List, 2009-06, Deans list-2 years at Franklin Pierce University

**CERTIFICATIONS/LICENSES** - AED/CPR, 2015-12 - 2017-12, OSHA-10, Present AED/CPR 2017-11 - 2019-09

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

**Department of Health and Human Services  
Office of Human Services**

**Continuum of Care – Coordinated Entry Program  
7/01/2018 – 6/30/2019**

**Key Personnel Salaries and Allocation**

<b>Name</b>	<b>Job Title</b>	<b>Salary</b>	<b>% Paid from this Contract</b>	<b>Amount Paid from this Contract</b>
Jeanne Agri	Executive Director	\$ 132,651	0%	\$ 0
Kathy Lavigne	Chief Accountant	\$ 70,941	0%	\$ 0
Christine Racine	Program Coordinator	\$ 38,005	0%	\$ 0
John Nadeau	Homeless Outreach Intervention Specialist	\$ 29,250	100%	\$ 29,250
Kendra Pio	Homeless Outreach Intervention Specialist	\$ 29,250	100%	\$ 29,250

Subject: Continuum of Care, Concord Community Leasing II, Permanent Housing, SS-2019-BHHS-03-Perma-10

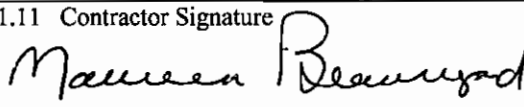

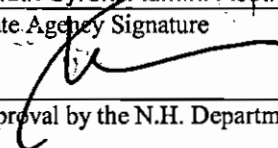
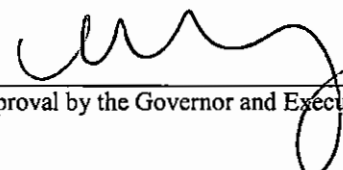
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Families in Transition		1.4 Contractor Address 122 Market St. Manchester, NH 03101	
1.5 Contractor Phone Number (603) 641-9441	1.6 Account Number 05-95-42-423010-7927-102-500731	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$96,693
1.9 Contracting Officer for State Agency E. Maria Reinemann, Esq. Director of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9330	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Maureen Beauregard, President	
1.13 Acknowledgement: State of New Hampshire, County of Hillsborough  On June 6, 2018, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  			
1.13.2 Name and Title of Notary or Justice of the Peace Ruth Syrek, Admin. Asst., Notary Public <div style="text-align: right;"> <b>RUTH A. SYREK, Notary Public</b>                      My Commission Expires October 16, 2018                 </div>			
1.14 State Agency Signature  Date: 6/8/18		1.15 Name and Title of State Agency Signatory THOMAS PRISTOW, Dep. Commissioner	
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: _____ Attorney 6/8/18			
1.18 Approval by the Governor and Executive Council (if applicable)  By: _____ On: _____			

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

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

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, 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.



Exhibit A

**SCOPE OF SERVICES**

**Permanent Housing Program**

**1. Provisions Applicable to All Services**

- 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.2. 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, through the Bureau of Housing Supports, has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. 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 their programs and/or services within ten (10) days of the contract effective date; submitted to:  
  
NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301
- 1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

**2. Scope of Services**

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) CoC Program, the Contractor shall provide a Permanent Housing, Permanent Supportive Housing or Rapid Re-Housing project which includes, but is not limited to:
  - 2.1.1. Utilization of the "Housing First" model, which shall at a minimum, not impose barriers to entering housing, beyond those required by regulation or statute, and will only terminate project participation for the most severe reasons once available options have been exhausted to help a participant maintain housing.  
  
"Housing First" details can be accessed at:  
<https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf>
  - 2.1.2. The development of a stabilization plan and crisis management plan with the participant, at intake and, at a minimum, annually. An ongoing Assessment of Housing and Supportive Services is required, with the ultimate goal being assistance to the participant in obtaining the skills necessary to live in the community independently.
  - 2.1.3. The CoC Program interim rule, 24 CFR Part 578, requires that all CoCs implement a Coordinated Entry System (CES) in collaboration with any projects funded by the CoC Program, ESG Program, and HOPWA Program.  
  
24 CFR Part 578 can be accessed at:  
[https://www.hudexchange.info/resources/documents/CoCProgramInterimRule\\_FormattedVersion.pdf](https://www.hudexchange.info/resources/documents/CoCProgramInterimRule_FormattedVersion.pdf)



Exhibit A

- 2.1.4. The subrecipient is required to comply with applicable civil rights laws, per CFR Section 578.93, addressing nondiscrimination and equal opportunity requirements. Section 578.93(a) states that the nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105 (a) apply. This includes, but is not limited to, the Fair Housing Act, Title VI of Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 (Section 504), and title II of the Americans with Disabilities Act.
- 2.1.5. The subrecipient must establish and maintain standard operating procedures for ensuring that CoC program funds are used in accordance with the requirements of 24 CFR 578 and must establish and maintain sufficient records to enable HUD and BHS to determine whether the subrecipient is meeting the requirements, including:
  - 2.1.5.1. Continuum of Care records: Each collaborative applicant must keep the following documentation related to establishing and operating a CoC;
  - 2.1.5.2. Evidence that the Board selected by the Continuum of Care meets the requirements of § 578.5(b);
  - 2.1.5.3. Evidence that the Continuum has been established and operated as set forth in subpart B of this part, including published agendas and meeting minutes, an approved Governance Charter that is reviewed and updated annually, a written process for selecting a board that is reviewed and updated at least once every five (5) years, evidence required for designating a single Homeless Management Information System (HMIS) for the Continuum, and monitoring reports of recipients and subrecipients; and
  - 2.1.5.4. Evidence that the Continuum has prepared the application for funds as set forth in § 578.9, including the designation of the eligible applicant to be the collaborative applicant.
- 2.2. Unified funding agency records (UFAs) that requested grant amendments from HUD, as set forth in § 578.105, must keep evidence that the grant amendment was approved by the Continuum. This evidence may include minutes of meetings at which the grant amendment was discussed and approved.
- 2.3. Homeless status. Acceptable evidence of homeless status is set forth in 24 CFR 576.500(b).
- 2.4. At risk of homelessness status. For those recipients and subrecipients that serve persons at risk of homelessness, the recipient or subrecipient must keep records that establish "at risk of homelessness" status of each individual or family who receives CoC homelessness prevention assistance. Acceptable evidence is found in 24 CFR 576.500(c).
- 2.5. Records of reasonable belief of imminent threat of harm. For each program participant who moved to a different CoC due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking under § 578.51(c)(3), each recipient or subrecipient of assistance under this part must retain:
  - 2.5.1. Documentation of the original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file. This may be written observation of the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; court records or law enforcement records; or written certification by the program participant to whom the violence occurred or by the head of household.
  - 2.5.2. Documentation of the reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking, which would include threats from a third-party, such as a friend or family member of the perpetrator of the violence. This may be written observation





Exhibit A

- by the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.
- 2.6. Annual income. For each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, the recipient or subrecipient must keep the following documentation of annual income:
- 2.6.1. Income evaluation form specified by HUD and completed by the recipient or subrecipient; and
  - 2.6.2. Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement) for the assets held by the program participant and income received before the date of the evaluation;
  - 2.6.3. To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period; or
  - 2.6.4. To the extent that source documents and third-party verification are unobtainable, the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the three (3) month period following the evaluation.
- 2.7. Program participant records. In addition to evidence of homelessness status or at-risk-of-homelessness status, as applicable, the recipient or subrecipient must keep records for each program participant that document:
- 2.7.1. The services and assistance provided to that program participant, including evidence that the recipient or Subrecipient has conducted an annual assessment of services for those program participants that remain in the program for more than a year and adjusted the service package accordingly, and including case management services as provided in § 578.37(a)(1)(ii)(F); and
  - 2.7.2. Where applicable, compliance with the termination of assistance requirement in § 578.91.
- 2.8. Housing standards. The recipient or subrecipient must retain documentation of compliance with the housing standards in § 578.75(b), including inspection reports.
- 2.9. Services provided. The recipient or subrecipient must document the types of supportive services provided under the recipient's program and the amounts spent on those services. The recipient or subrecipient must keep record that these records were reviewed at least annually and that the service package offered to program participants was adjusted as necessary.
- 2.10. Match. The recipient must keep records of the source and use of contributions made to satisfy the match requirement in § 578.73. The records must indicate the grant and fiscal year for which each matching contribution is counted. The records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.
- 2.11. Conflicts of interest. The recipient and its subrecipients must keep records to show compliance with the organizational conflict-of-interest requirements in § 578.95(c), the Continuum of Care board conflict-of-interest requirements in § 578.95(b), the other conflict requirements in §



Exhibit A

- 578.95(d), a copy of the personal conflict-of-interest policy developed and implemented to comply with the requirements in § 578.95, and records supporting exceptions to the personal conflict-of-interest prohibitions.
- 2.12. Homeless participation. The recipient or subrecipient must document its compliance with the homeless participation requirements under § 578.75(g).
  - 2.13. Faith-based activities. The recipient and its subrecipients must document their compliance with the faith-based activities requirements under § 578.87(b).
  - 2.14. Affirmatively Furthering Fair Housing. Recipients and subrecipients must maintain copies of their marketing, outreach, and other materials used to inform eligible persons of the program to document compliance with the requirements in § 578.93(c).
  - 2.15. Other federal requirements. The recipient and its subrecipients must document their compliance with the federal requirements in § 578.99, as applicable.
  - 2.16. Subrecipients and contractors.
    - 2.16.1. The recipient must retain copies of all solicitations of and agreements with subrecipients, records of all payment requests by and dates of payments made to subrecipients, and documentation of all monitoring and sanctions of subrecipients, as applicable.
    - 2.16.2. The recipient must retain documentation of monitoring subrecipients, including any monitoring findings and corrective actions required.
    - 2.16.3. The recipient and its subrecipients must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR part 84.
  - 2.17. Other records specified by HUD. The recipient and subrecipients must keep other records specified by HUD.
  - 2.18. Confidentiality. In addition to meeting the specific confidentiality and security requirements for HMIS data, the recipient and its subrecipients must develop and implement written procedures to ensure:
    - 2.18.1. All records containing protected identifying information of any individual or family who applies for and/or receives Continuum of Care assistance will be kept secure and confidential;
    - 2.18.2. The address or location of any family violence project assisted with Continuum of Care funds will not be made public, except with written authorization of the person responsible for the operation of the project; and
    - 2.18.3. The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with State and local laws regarding privacy and obligations of confidentiality;
  - 2.19. Period of record retention. All records pertaining to Continuum of Care funds must be retained for the greater of five (5) years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.
    - 2.19.1. Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for five (5) years after the expenditure of all funds from the grant under which the program participant was served; and
    - 2.19.2. Where Continuum of Care funds are used for the acquisition, new construction, or rehabilitation of a project site, records must be retained until fifteen (15) years after the date that the project site is first occupied, or used, by program participants.



Exhibit A

2.20. Access to records.

2.20.1. Federal Government rights. Notwithstanding the confidentiality procedures established under paragraph (2.18.) of this section, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the recipient and its subrecipients that are pertinent to the Continuum of Care grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period, but last as long as the records are retained.

2.20.2. Public rights. The recipient must provide citizens, public agencies, and other interested parties with reasonable access to records regarding any uses of Continuum of Care funds the recipient received during the preceding five (5) years, consistent with State and local laws regarding privacy and obligations of confidentiality and confidentiality requirements in this part.

2.21. Based on the continued receipt/availability of federal funds from HUD COC Program Competition Funding, over the grant period, the Contractor shall provide a permanent housing program that is targeted to serve twelve (12) homeless individuals and families.

2.22. The Contractor shall support the primary goal of this program which is to facilitate the movement of homeless and chronically homeless individuals and families to permanent housing and maximum self-sufficiency.

2.23. The Contractor shall maintain adherence to federal and state financial and confidentiality laws, and agrees to comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the 2017 NOFA Project Application approved by HUD.

2.24. The Contractor shall provide services according to HUD regulations as outlined in Public Law 102-550 and 24 CFR Part 578: Continuum of Care Program and other written HUD policies and directives as appropriate.

Public Law 102-550 can be accessed at:

<https://www.congress.gov/public-laws/102nd-congress>

The Electronic Code of Federal Regulations can be accessed at:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=2bfae50cb70b6feb82e6a7c0cf6b6b&mc=true&node=pt24.3.578&rgn=div5>

3. Program Reporting Requirements

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the subrecipient is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.3 Exhibit A; and

3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.

NH HMIS policy can be accessed at:

<http://www.nh-hmis.org>

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is



Exhibit A

required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.

- 3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by BHS.
- 3.4. The Contractor shall cooperate fully with and answer all questions of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.

**4. Contract Administration**

- 4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with Contractor performance.
- 4.3. The Contractor shall inform BHS of any staffing changes within thirty (30) days of the change.
- 4.4. Contract records shall be retained for a period of five (5) years or as required by state or federal law, following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and BHS.



Exhibit B

**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**1. Permanent Housing Program**

1.1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement pursuant to Exhibit A, Scope of Services, the State agrees to pay the Contractor an amount not to exceed Form P-37, Block 1.8, Price Limitation and for the time period specified below.

1.1.1. This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund:	0%
Federal Funds:	100%
CFDA #:	14.267
Grant Number:	NH0060L1T001705
Federal Agency:	U.S. Department of Housing & Urban Development (HUD)
Program Title:	Continuum of Care, Permanent Housing Program

Total Amount Continuum of Care;

July 1, 2018 – June 30, 2019: not to exceed \$96,693

Funds allocation under this agreement for Continuum of Care Program;

Administrative Expenses:	\$2,310
Leasing Expenses:	\$78,427
Operating Expenses:	\$0
Rental Assistance:	\$0
Supportive Services:	<u>\$15,956</u>
Total program amount:	\$96,693

1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

**2. Reports**

2.1. As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

2.1.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with 2 CFR part 200 which can be accessed at:

[https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State at the following address:

NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301



**Exhibit B**

2.2. Where the Contractor is not subject to the requirements of 2 CFR part 200, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

**3. Project Costs: Payment Schedule; Review by the State**

3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of 2 CFR part 200.

3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 578.87(c).

3.3. The subrecipient must match all grant funds, except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources. Cash match must be used for the cost of activities that are eligible under subpart D of 24 CFR 578.

3.4. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578, and in compliance with the budget detail and narrative, as outlined in the 2017 NOFA Project Application approved by HUD, the State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of P.L. 102-550 and other applicable regulations.

3.4.1. Payment of Project Costs shall be made through the utilization of funds as provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount and time period not to exceed as specified above in section 1.1.1. Exhibit B.

3.4.2. Authorized expenses shall be those expenses as detailed in Exhibit B-1, Budget.

3.5. Schedule of Payments: Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor agrees to keep records of their activities related to Department programs and services, and shall provide additional financial information if requested by the State to verify expenses. Invoices shall be submitted promptly to the address listed above in section 2.1.1. Exhibit B.

3.6. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all

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**Exhibit B**

payments made to date. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture.

- 3.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.

**4. Use Of Grant Funds**

- 4.1. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.
- 4.2. Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

**5. Expense Eligibility**

- 5.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize Continuum of Care Program agreement value specified in Exhibit B of this agreement from the HUD Continuum of Care Program, for contract services.

**5.1.1. Operating Expenses**

- 5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.
- 5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

**5.1.2. Supportive Services**

- 5.1.2.1. Eligible supportive services costs must comply with all HUD regulations in 24 CFR 578.53. Eligible services are available to those individuals actively participating in the permanent housing program.
- 5.1.2.2. Eligible costs include:
- 5.1.2.3. mental health services;
- 5.1.2.4. case management services;
- 5.1.2.5. salaries of Contractor staff providing supportive services;
- 5.1.2.6. reasonable one-time moving costs (truck rental and hiring a moving company);
- 5.1.2.7. child-care costs for establishing and operating child care;



Exhibit B

- 5.1.2.8. providing child-care vouchers for children from families experiencing homelessness (including meals, snacks, comprehensive and coordinated developmental activities);
  - 5.1.2.9. education services;
  - 5.1.2.10. employment assistance and job training skills;
  - 5.1.2.11. housing search and counseling services;
  - 5.1.2.12. legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing);
  - 5.1.2.13. outpatient health services; and
  - 5.1.2.14. transportation services and utility deposits.
  - 5.1.2.15. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.
- 5.1.3. Rental Assistance
- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
  - 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
  - 5.1.3.3. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
  - 5.1.3.4. Rental assistance will only be provided for a unit if the rent is reasonable. The Contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.
  - 5.1.3.5. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits.
  - 5.1.3.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
  - 5.1.3.7. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
  - 5.1.3.8. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require

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**Exhibit B**

program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid Re-Housing program component must be tenant based rental assistance.

- 5.1.3.9. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.1.3.10. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.1.3.11. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.

5.1.4. Administrative Costs

5.1.4.1. Administrative costs include:

5.1.4.2. preparing program budgets;

5.1.4.3. schedules and amendments;

5.1.4.4. developing systems for assuring compliance with program requirements;

5.1.4.5. developing interagency agreements and agreements with subrecipients and Contractors to carry out program activities;

5.1.4.6. preparing reports and other documents related to the program for submission to HUD;

5.1.4.7. evaluating program results against stated objectives;

5.1.4.8. travel costs incurred for official business in carrying out the program;

5.1.4.9. administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services) and;

5.1.4.10. other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).

5.1.5. Leasing: Leasing may include leasing one structure or leasing units scattered throughout a community.

5.1.5.1. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Contractor.

5.1.5.2. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.

5.1.5.3. The Contractor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.

5.1.5.4. Property damages may only be paid from money paid to landlord for security deposits.

5.1.5.5. The Contractor cannot lease a building that it already owns to itself.



**Exhibit B**

- 5.1.5.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
- 5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).
  - 5.2.1. The Contractor must match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.
  - 5.2.2. Match requirements are to be documented with each payment request.
- 5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 5. Expense Eligibility, Exhibit B. The Contractor must have written approval from the State prior to billing for any other expenses.
- 5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
- 5.5. The Contractor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.

**6. Contractor Financial Management System**

- 6.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
- 6.2. The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3, Project Costs: Payment Schedule; Review by the State, of this Agreement.

NH BUREAU OF HOUSING SUPPORTS  
Continuum of Care Program Payment Request Form  
2017 NOFA

**For BHS use only**

**Vendor # 157730 - B001**

**Contract #1057007                      Line # 1**

**Invoice:CCLII**

**Descript: NH0060L1T001705**

**Account: 010-042-7927-102-500731**

**Add Activities**

**Amount \$**

**Job #**

**Amount \$**

**Job #**

**Amount \$**

**Job #**

Provider Authorizing Signature

BHS USE ONLY		
Amount	Initial	Date
\$ -	KS	
Amy O'Hara, Financial Manager		

Families in Transition CC LEASING II							
Service Period:							
Operating year 7/1/2018 - 6/30/2019							
COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H
Activity Name	Activity Budget	Pymts requested/received	MATCH Previously Applied	Balance	Amount Requested This Invoice	Match applied this invoice	Balance
Leasing	\$ 78,427.00			\$ 78,427.00	\$ -		\$ 78,427.00
<b>Supportive Services</b>							
Case Mgt.	\$ 15,956.00			\$ 15,956.00	\$ -		\$ 15,956.00
Administration	\$ 2,310.00			\$ 2,310.00	\$ -		\$ 2,310.00
25% Required Match	\$ 4,567.00			\$ 4,567.00	\$ -		\$ 4,567.00
Total HUD Funding	\$ 96,693.00	\$ -		\$ 96,693.00			\$ 96,693.00
Please Pay this Amount					\$ -		



**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;

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- 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.

New Hampshire Department of Health and Human Services  
Exhibit C



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 (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) 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



- 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.





**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.



**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

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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.

Contractor Name: Families in Transition

June 6, 2018  
Date

  
Name: Maureen Beauregard  
Title: President



**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.

Contractor Name: Families in Transition

June 6, 2018  
Date

  
Name: Maureen Beauregard  
Title: President



**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**

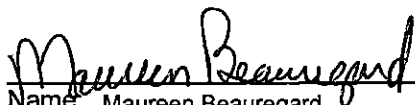
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
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

Contractor Name: Families in Transition

June 6, 2018  
Date

  
Name: Maureen Beauregard  
Title: President



**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

Contractor Initials   RAB  

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

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.

Contractor Name: Families in Transition

June 6, 2018  
Date

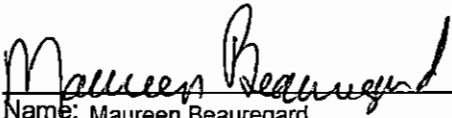
  
Name: Maureen Beauregard  
Title: President

Exhibit G

Contractor Initials 

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





**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Contractor Name: Families in Transition

June 6, 2018  
Date


  
Name: Maureen Beauregard  
Title: President



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.



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

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

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

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

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

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



Exhibit I

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

**(6) Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



Exhibit I

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

Department of Health and Human Services

The State

Signature of Authorized Representative

THOMAS PRISTOW  
Name of Authorized Representative

Dep. Commissioner  
Title of Authorized Representative

6/8/18  
Date

Families in Transition

Name of the Contractor

Signature of Authorized Representative

Maureen Beauregard  
Name of Authorized Representative

President  
Title of Authorized Representative

June 6, 2018  
Date



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

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

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

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

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

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

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

Contractor Name: Families in Transition

June 6, 2018

Date

Name: Maureen Beauregard

Title: President

Contractor Initials

Date June 6, 2018





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: 825360399
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: _____

# New Hampshire Department of Health and Human Services

## Exhibit K

### DHHS Information Security Requirements



#### A. Definitions

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

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

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

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

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

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

## I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

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

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



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

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

## II. METHODS OF SECURE TRANSMISSION OF DATA

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



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

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

### III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

#### A. Retention

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

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New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

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

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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doiit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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

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

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

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

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

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New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov

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# State of New Hampshire

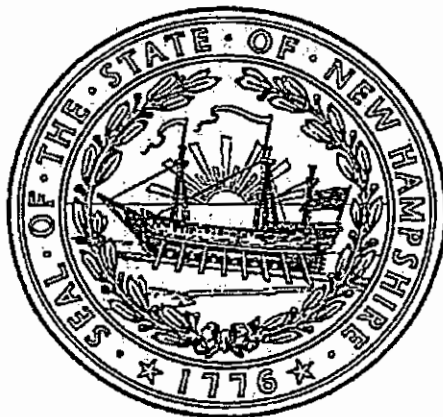
## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that FIT/NHNC, INC is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 13, 1994. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 207982

Certificate Number: 0004088815



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 26th day of April A.D. 2018.

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

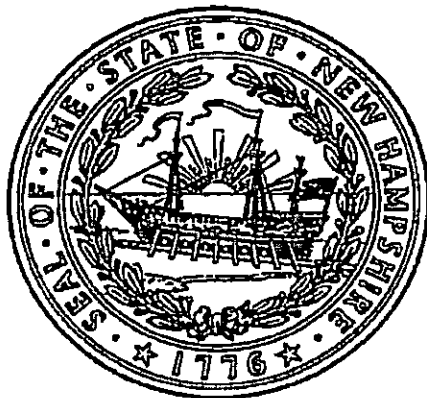
# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that FAMILIES IN TRANSITION is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 13, 1994. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 207982



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 25th day of April A.D. 2017.

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

## Business Information

### Business Details

Business Name: FAMILIES IN TRANSITION	Business ID: 785244
Business Type: Trade Name	Business Status: Active
Expiration Date: 1/2/2023	Last Renewal Date: Not Available
Business Creation Date: 01/02/2018	Name in State of Formation: Not Available
Date of Formation in Jurisdiction: 01/02/2018	
Principal Office Address: 122 Market Street, Manchester, NH, 03101, USA	Mailing Address: 122 Market Street, Manchester, NH, 03101, USA
Business Email: NONE	Phone #: NONE
Notification Email: NONE	Fiscal Year End Date: NONE

### Principal Purpose

S.No	NAICS Code	NAICS Subcode
1	OTHER / Hunger relief, emergency shelter, safe affordable housing and supportive services	

Page 1 of 1, records 1 to 1 of 1

### Trade Name Information

Business Name	Business ID	Business Status
---------------	-------------	-----------------

### Trade Name Owned By

Name	Title	Address
FIT/NHNNH, INC (/online/BusinessInquire/TradeNameInformation?businessID=57015)	Business	Good Standing

# CERTIFICATE OF VOTE

I, Dick Anagnost, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Families in Transition  
(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 June 6, 2018:  
(Date)

**RESOLVED:** That the President  
(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 6 day of June, 2018.  
(Date Contract Signed)

4. Maureen Beauregard is the duly elected President  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.



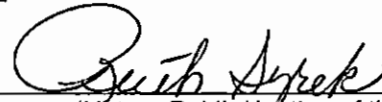
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 6 day of June, 2018.

By Dick Anagnost  
(Name of Elected Officer of the Agency)



(Notary Public/Justice of the Peace)

(NOTARY SEAL)

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

**RUTH A. SYREK, Notary Public**  
My Commission Expires October 16, 2018



FAMIINT-01

DBEAUDOIN

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
03/01/2018

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 have ADDITIONAL INSURED provisions or 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 Davis & Towle Morrill & Everett, Inc. 115 Airport Road Concord, NH 03301	CONTACT NAME:	PHONE (A/C, No, Ext): (603) 225-6611	FAX (A/C, No): (603) 225-7935
	E-MAIL ADDRESS:		
INSURED  FIT/NHNN, Inc. 122 Market St Manchester, NH 03101	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Selective Insurance Group Inc.		
	INSURER B: Granite State Health Care & Human Services Self Insured Group		
	INSURER C:		
	INSURER D:		
	INSURER E:		
INSURER F:			

COVERAGES CERTIFICATE NUMBER: 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 SUBR INSD WYD	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		S2332697-00	01/01/2018	01/01/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:						
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY		S2332697-00	01/01/2018	01/01/2019	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 type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0		S2332697-00	01/01/2018	01/01/2019	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ \$ 5,000,000
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	HCHS20180000019	02/01/2018	02/01/2019	PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE -EA EMPLOYEE \$ 1,000,000 E.L. DISEASE -POLICY LIMIT \$ 1,000,000
A	Professional Liabil		S2332697-00	01/01/2018	01/01/2019	See Remarks

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Professional Liability \$1,000,000 Each Incident/\$3,000,000 Aggregate

\*\*The Umbrella Policy does not extend over the Workers Compensation policy, however, the Workers Compensation policy does include Excess Insurance of \$1,000,000 provided by Midwest Employers Casualty Corp above the limits listed above for Workers Compensation. \*\*

Professional Liability \$1,000,000 Each Incident/\$3,000,000 Aggregate

CERTIFICATE HOLDER CANCELLATION

State of NH - DHHS - Contracts & Procurement Unit 129 Pleasant Street Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>Donna P. Beaudoin</i>

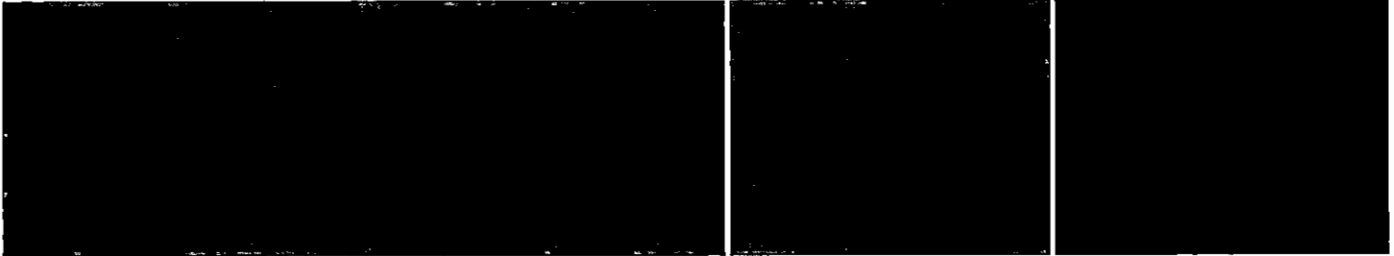
***Families in Transition***  
***122 Market Street***  
***Manchester, NH 03101***  
***Tel. 603-641-9441***  
***Fax. 603-641-1244***



***Mission***

To provide safe and affordable housing and  
comprehensive social services to individuals  
and families who are homeless or who are at risk of  
becoming homeless, enabling them to gain  
self-sufficiency and respect.





**CONSOLIDATED FINANCIAL STATEMENTS**

and

**SUPPLEMENTARY INFORMATION**

**December 31, 2017**

**(With Comparative Totals for 2016)**

**With Independent Auditor's Report**





## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Families in Transition, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Families in Transition, Inc. and Subsidiaries (the Organization), which comprise the consolidated statement of financial position as of December 31, 2017 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit 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 auditor's 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 consolidated financial position of the Organization as of December 31, 2017, and the consolidated changes in their net assets and their consolidated cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

***Report on Summarized Comparative Information***

We have previously audited the Organization's 2016 consolidated financial statements and, in our report dated March 29, 2017, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

***Other Matter***

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, which consists of the consolidating statement of financial position as of December 31, 2017, and the related consolidating statements of activities and functional expenses for the year then ended, is presented for purposes of additional analysis, rather than to present the financial position and changes in net assets of the individual entities, 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 U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Berry Dunn McNeil & Parker, LLC*

Manchester, New Hampshire  
March 30, 2018

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Consolidated Statement of Financial Position**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,062,497	\$ 797,760
Funds held as fiscal agent	96,383	91,897
Accounts receivable	38,380	21,649
Grants and contributions receivable	451,664	323,416
Prepaid expenses	33,229	35,838
Due from related parties	-	8,208
Other current assets	<u>43,097</u>	<u>42,795</u>
Total current assets	1,725,250	1,321,563
Replacement reserves	292,264	333,855
Reserve cash designated for properties	722,130	737,887
Investments	-	2,994
Investment in related entity	1,001	1,001
Property and equipment, net	26,210,337	26,990,325
Development in process	2,090,031	158,991
Other assets, net	<u>103,449</u>	<u>116,646</u>
Total assets	\$ <u>31,144,462</u>	\$ <u>29,663,262</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Current portion of long-term debt	\$ 216,147	\$ 204,278
Accounts payable	220,829	168,988
Accrued expenses	217,676	207,932
Funds held as fiscal agent	96,383	91,897
Other current liabilities	<u>49,504</u>	<u>48,106</u>
Total current liabilities	800,539	721,201
Long-term debt, less current portion	<u>11,317,970</u>	<u>10,831,602</u>
Total liabilities	<u>12,118,509</u>	<u>11,552,803</u>
Net assets		
Unrestricted - controlling interest	14,563,053	12,887,376
Unrestricted - noncontrolling interest	<u>3,565,478</u>	<u>4,808,111</u>
Total unrestricted	18,128,531	17,695,487
Temporarily restricted	<u>897,422</u>	<u>414,972</u>
Total net assets	<u>19,025,953</u>	<u>18,110,459</u>
Total liabilities and net assets	\$ <u>31,144,462</u>	\$ <u>29,663,262</u>

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

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Consolidated Statement of Activities**

**Year Ended December 31, 2017**

**(With Comparative Totals for the Year Ended December 31, 2016)**

	Unrestricted - Controlling Interest	Unrestricted - Noncontrolling Interest	Total Unrestricted	Temporarily Restricted	Total 2017	Total 2016
<b>Revenue and support</b>						
Federal, state and other grant support	\$ 2,564,953	\$ -	\$ 2,564,953	\$ 647,794	\$ 3,212,747	\$ 2,349,452
Rental income, net of vacancies	1,841,064	-	1,841,064	-	1,841,064	1,779,729
Thrift store sales	685,756	-	685,756	-	685,756	733,574
Public support	425,225	-	425,225	-	425,225	291,046
Tax credit revenue	-	-	-	80,000	80,000	70,000
Special events	197,191	-	197,191	-	197,191	200,057
VISTA program revenue	125,742	-	125,742	-	125,742	83,649
Unrealized gains on investments	1,270	-	1,270	-	1,270	3,906
Gain (loss) on disposal of assets	5,133	-	5,133	-	5,133	(28,156)
Interest income	31,519	-	31,519	-	31,519	29,107
In-kind donations	61,548	-	61,548	-	61,548	22,549
Forgiveness of debt	131,267	-	131,267	-	131,267	131,267
Medicaid reimbursements	411,535	-	411,535	-	411,535	248,815
Other income	105,860	-	105,860	-	105,860	74,812
Net assets released from restrictions	245,344	-	245,344	(245,344)	-	-
	<u>6,833,407</u>	<u>-</u>	<u>6,833,407</u>	<u>482,450</u>	<u>7,315,857</u>	<u>5,989,807</u>
<b>Expenses</b>						
Program activities						
Housing	6,299,553	-	6,299,553	-	6,299,553	5,260,642
Thrift store	681,291	-	681,291	-	681,291	590,896
Total program activities	6,980,844	-	6,980,844	-	6,980,844	5,851,538
Fundraising	418,486	-	418,486	-	418,486	402,696
Management and general	539,803	-	539,803	-	539,803	457,590
	<u>7,939,133</u>	<u>-</u>	<u>7,939,133</u>	<u>-</u>	<u>7,939,133</u>	<u>6,711,824</u>
(Deficiency) excess of revenue and support over expenses	(1,105,726)	-	(1,105,726)	482,450	(623,276)	(722,017)
Grants and contributions for capital projects	1,538,770	-	1,538,770	-	1,538,770	7,300
Transfer of noncontrolling interest resulting from dissolution of limited partnership	848,610	(848,610)	-	-	-	-
Change in net assets	1,281,654	(848,610)	433,044	482,450	915,494	(714,717)
Change in net assets attributable to noncontrolling interest in subsidiaries	394,023	(394,023)	-	-	-	-
Change in net assets after reclassification of portion attributable to noncontrolling interest	1,675,677	(1,242,633)	433,044	482,450	915,494	(714,717)
Net assets, beginning of year, restated	12,887,376	4,808,111	17,695,487	414,972	18,110,459	18,825,176
Net assets, end of year	\$ <u>14,563,053</u>	\$ <u>3,565,478</u>	\$ <u>18,128,531</u>	\$ <u>897,422</u>	\$ <u>19,025,953</u>	\$ <u>18,110,459</u>

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

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Consolidated Statement of Functional Expenses**

**Year Ended December 31, 2017**

**(With Comparative Totals for the Year Ended December 31, 2016)**

	Program Activities			Management and General	2017 Total	2016 Total
	Housing	Thrift Store	Fundraising			
Salaries and benefits						
Salaries and wages	\$ 2,321,553	\$ 398,751	\$ 239,433	\$ 208,629	\$ 3,168,366	\$ 2,374,819
Employee benefits	292,962	23,458	17,717	15,438	349,575	239,051
Payroll taxes	<u>154,646</u>	<u>30,788</u>	<u>26,061</u>	<u>22,709</u>	<u>234,204</u>	<u>176,891</u>
Total salaries and benefits	2,769,161	452,997	283,211	246,776	3,752,145	2,790,761
Other expenses						
Advertising	9,973	24,062	1,176	1,025	36,236	45,919
Amortization	13,197	-	-	-	13,197	13,197
Application and permit fees	1,640	-	-	375	2,015	5,015
Bad debts	26,124	-	-	-	26,124	32,403
Bank charges	-	-	-	17,875	17,875	15,602
Consultants	59,296	3,017	8,862	6,963	78,138	77,186
Depreciation	952,355	10,129	21,808	19,002	1,003,294	987,859
Events	1,966	2,615	56,600	-	61,181	53,174
General insurance	124,169	7,035	495	22,205	153,904	143,622
Interest expense	174,616	660	-	-	175,276	180,332
Management fees	6,487	-	-	-	6,487	14,679
Meals and entertainment	4,176	131	467	407	5,181	7,656
Membership dues	8,209	-	969	844	10,022	10,600
Office supplies	95,970	17,988	11,506	10,026	135,490	128,829
Participant expenses	96,532	450	-	2,237	99,219	74,023
Postage	6,296	-	806	702	7,804	4,679
Printing	16,517	4,486	1,910	1,664	24,577	22,546
Professional fees	-	-	-	182,974	182,974	127,545
Related entity expense	(60,000)	60,000	-	-	-	-
Rental subsidies	298,272	-	-	-	298,272	223,872
Repairs and maintenance	360,187	39,875	4,847	4,223	409,132	429,714
Staff development	19,087	37	2,144	1,868	23,136	12,039
Taxes	325,478	2,706	-	-	328,184	326,539
Technology support	52,606	1,161	6,247	5,443	65,457	74,381
Telephone	71,136	5,920	7,407	6,454	90,917	84,460
Travel	30,719	6,553	3,855	3,359	44,486	46,755
Utilities	410,784	33,278	-	-	444,062	416,420
VISTA program	359,804	-	-	-	359,804	290,379
Workers' compensation	<u>64,796</u>	<u>8,191</u>	<u>6,176</u>	<u>5,381</u>	<u>84,544</u>	<u>71,638</u>
Total expenses	<u>\$ 6,299,553</u>	<u>\$ 681,291</u>	<u>\$ 418,486</u>	<u>\$ 539,803</u>	<u>\$ 7,939,133</u>	<u>\$ 6,711,824</u>

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

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Consolidated Statement of Cash Flows**

**Year Ended December 31, 2017**

**(With Comparative Totals for the Year Ended December 31, 2016)**

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets	\$ 915,494	\$ (714,717)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,016,491	1,001,056
Grants and contributions for capital projects	(1,538,770)	(7,300)
Forgiveness of debt	(131,267)	(131,267)
Unrealized gains on investments	(1,270)	(3,906)
(Gain) loss on disposal of assets	(5,133)	28,156
Decrease (increase) in:		
Accounts receivable	(16,731)	1,803
Grants and contributions receivable	(128,248)	632
Prepaid expenses	2,609	7,317
Other current assets	(302)	(1,493)
Increase (decrease) in:		
Accounts payable	51,841	(34,955)
Accrued expenses	9,744	55,302
Due to related party	-	(869)
Other current liabilities	<u>1,398</u>	<u>3,441</u>
Net cash provided by operating activities	<u>175,856</u>	<u>203,200</u>
Cash flows from investing activities		
Repayments of advances to related parties	8,208	601
Net withdrawals from (deposits to) reserve accounts	57,348	(22,933)
Proceeds from sale of investments	4,264	11,347
Investment in development in process	(1,931,040)	(689,070)
Proceeds from disposal of assets	5,133	-
Acquisition of property and equipment	<u>(162,691)</u>	<u>(152,990)</u>
Net cash used by investing activities	<u>(2,018,778)</u>	<u>(853,045)</u>
Cash flows from financing activities		
Grants and contributions for capital projects	1,538,770	31,724
Proceeds from long-term borrowings	772,009	570,377
Payments on long-term debt	<u>(203,120)</u>	<u>(182,122)</u>
Net cash provided by financing activities	<u>2,107,659</u>	<u>419,979</u>
Net increase (decrease) in cash and cash equivalents	264,737	(229,866)
Cash and cash equivalents, beginning of year	<u>797,760</u>	<u>1,027,626</u>
Cash and cash equivalents, end of year	\$ <u>1,062,497</u>	\$ <u>797,760</u>
Supplemental disclosure		
Acquisition of property and equipment through long-term borrowings from seller	\$ <u>60,615</u>	\$ <u>-</u>
Property and equipment transferred from development in process	\$ <u>-</u>	\$ <u>1,879,002</u>

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

## **FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

### **Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

#### **Organization**

Families in Transition, Inc. (FIT or the Organization) is a New Hampshire nonprofit, incorporated on May 13, 1994, to provide housing and comprehensive social services to individuals and families who are homeless or at risk of becoming homeless in certain areas of southern New Hampshire, including Manchester, Concord and Dover.

The Organization directly owns and operates housing programs in facilities located on Amherst Street, Spruce Street, Lake Avenue and Douglas Street in Manchester, New Hampshire. Additional housing facilities are owned and operated by several limited partnerships of which the Organization is the sole general partner. These limited partnerships include Bicentennial Families Concord Limited Partnership (Bicentennial), located at Bicentennial Square in Concord, New Hampshire; Family Bridge Limited Partnership (Family Bridge), located on Second Street in Manchester, New Hampshire; and Family Willows Limited Partnership (Family Willows), located on South Beech Street in Manchester, New Hampshire (collectively referred to as the Limited Partnerships).

In 2008, the Organization created a Community Development Housing Organization, Housing Benefits, Inc. (Housing Benefits). Housing Benefits identifies and develops new housing units and refurbishes existing units to meet the persistent need of combating homelessness. Completed housing units are located on School & Third Streets, Lowell Street, Belmont Street, Market Street (Millyard Families I), Spruce Street and Hayward Street, in Manchester, New Hampshire as well as an additional housing unit located on Central Avenue in Dover, New Hampshire (Dover).

During 2016, Millyard Families II, Limited Partnership (Millyard II) reached the end of its initial 15-year low-income housing tax credit compliance period. Effective of April 1, 2017, Community Capital 2000, L.P., the limited partner, and Brick Mill House Families II, Inc., the general partner wholly owned by FIT, withdrew from Millyard II. As a result, \$848,610 of Community Capital 2000, L.P. noncontrolling interest and \$692,233 of Brick Mill House Families II, Inc. controlling interest in Millyard II was assumed by Housing Benefits. Millyard II is a twenty-unit residential housing and commercial space complex located on Market Street in Manchester, New Hampshire.

In 2012, the Organization became the sole member of Manchester Emergency Housing, Inc. (MEH), a New Hampshire nonprofit corporation providing immediate shelter to homeless families in the Manchester, New Hampshire area. MEH is the only family shelter in Manchester, New Hampshire.

The Organization also owns 100% of Family OutFITters, LLC (OutFITters), a limited liability corporation. OutFITters operates independent thrift stores in Concord and Manchester, New Hampshire with the sole purpose of generating an alternate funding stream for the Organization.

The Organization has several wholly-owned corporations which include Bicentennial Families Concord, Inc. (Bicentennial Families), Second Street Family Mill, Inc. (Family Mill), and Big Shady Tree, Inc. (Big Shady Tree) (collectively referred to as the General Partners), all of which are New Hampshire corporations. These wholly-owned corporations represent the .01% sole general partners in the Limited Partnerships, whereby Bicentennial Families is a general partner of Bicentennial, Family Mill is a general partner of Family Bridge and Big Shady Tree is a general partner of Family Willows.



## **FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

### **Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

In 2012, the Organization became the sole member of The New Hampshire Coalition to End Homelessness (NHCEH), a statewide entity, whose mission is to "eliminate the causes for homelessness through research, education and advocacy". Since 2012, the activity of NHCEH has not been deemed material and has not been included in the consolidated financial statements. During 2017, management assessed the operations of NHCEH and anticipates an increase in its activity and has determined NHCEH activity should be included in the consolidated financial statements. As a result, the 2016 beginning of year net assets has been restated by \$24,424 to reflect NHCEH net assets not previously included in the consolidated financial statements.

#### **1. Summary of Significant Accounting Policies**

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

Since the General Partners have control in the Limited Partnerships, in accordance with Financial Accounting Standards Board *Accounting Standards Codification* Topic 810-20-25, *Consolidation*, the financial statements of each of the Limited Partnerships' are required to be consolidated with the Organization's consolidated financial statements. The limited partners' ownership interest is reported in the consolidated statements of financial position as noncontrolling interest.

The consolidated financial statements include the net assets of the Organization, the Limited Partnerships, the General Partners, Housing Benefits, Millyard II, MEH, OutFITters and NHCEH. All significant inter-entity balances and transactions are eliminated in the accompanying consolidated financial statements.

##### **Comparative Information**

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles (U.S. GAAP). Accordingly, such information should be read in conjunction with the Organization's December 31, 2016 consolidated financial statements, from which the summarized information was derived.

##### **Use of Estimates**

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

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

### Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified as follows based on the existence or absence of donor imposed restrictions.

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

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor imposed stipulations that they be maintained permanently by the Organization. The donors of these assets permit the Organization to use all or part of the income earned on related contributions for general or specific purposes. The Organization had no permanently restricted net assets as of December 31, 2017 and 2016.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization records donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support in the year of the gift.

The Organization reports contributions of land, buildings or equipment as unrestricted support, unless a donor places explicit restriction on its use. Contributions of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support and reclassified to unrestricted net assets when the assets are acquired and placed in service.

### Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. Management regularly monitors the financial institutions, together with their respective cash balances, and attempts to maintain the potential risk at a minimum. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant risk on these accounts.

Restricted deposits are those deposits of cash and cash equivalents not generally available for operating costs, but restricted to particular uses including operating and replacement reserves for rental properties as well as certain other social services and programs.

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

### Property and Equipment

Property and equipment are recorded at cost or, if donated, at estimated fair market value at the date of donation less accumulated depreciation. The Organization's capitalization policy requires the capitalization of capital expenditures greater than \$1,000, while ordinary maintenance and repairs are charged to expense. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, ranging from 5 to 30 years. Assets not in service are not depreciated.

### Volunteer Services

A number of volunteers have donated their time to the Organization's various programs and administrative services. The value of these services has not been included in the accompanying consolidated financial statements since the volunteers' time does not meet criteria for recognition. The estimated value of donated time for the years ended December 31, 2017 and 2016 is approximately \$1,060,000 and \$990,000, respectively.

### Functional Expense Allocation

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

### Income Taxes

The Organization is a tax-exempt Section 170(b)(1)(A)(vi) public charity as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Accordingly, no provision for income taxes has been reflected in these financial statements.

The standards for accounting for uncertainty in income taxes require the Organization to report any uncertain tax positions and to adjust its financial statements for the impact thereof. As of December 31, 2017 and 2016, the Organization determined that it had no tax positions that did not meet the more-likely-than-not threshold of being sustained by the applicable tax authority. The Organization files an informational return in the United States. This return is generally subject to examination by the federal government for up to three years.

No provision for taxes on income is made in the Limited Partnerships' financial statements since, as a partnership, all taxable income and losses are allocated to the partners for inclusion in their respective tax returns.

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

### 2. Property and Equipment

Property and equipment consisted of the following:

	<u>2017</u>	<u>2016</u>
Land	\$ 3,112,699	\$ 3,112,698
Land improvements	602,600	602,600
Buildings and improvements	30,283,393	30,172,686
Furniture and fixtures	610,143	604,164
Equipment	217,695	182,631
Vehicles	<u>300,367</u>	<u>290,475</u>
	35,126,897	34,965,254
Less: accumulated depreciation	<u>8,916,560</u>	<u>7,974,929</u>
Property and equipment, net	<u>\$ 26,210,337</u>	<u>\$ 26,990,325</u>

At December 31, 2017 and 2016, the Organization held \$22,166,540 and \$22,840,478, respectively, of land, land improvements, and buildings and improvements, net of accumulated depreciation, for the purpose of leasing to individuals.

### 3. Development in Process

Development in process at December 31, 2017 consist of costs related to the following facilities:

#### Family Willows Recovery Housing Program

In response to the rising rates of opioid and other substance use issues throughout Manchester, New Hampshire and the State of New Hampshire, FIT and Housing Benefits are assisting in the establishment of The Manchester Recovery and Treatment Center, a large-scale facility to curb the tide of substance misuse.

The plan for establishment of this facility includes the following provisions: Each of the four floors of the Manchester Recovery and Treatment Center will provide different substance use disorder treatments or services to those at varying stages of recovery. Agencies using the facility will coordinate services to ensure that clients who seek services are provided with integrated and comprehensive care. One of the key programs in the facility will be Housing Benefit's Family Willows Recovery Housing Program (the Project) on the 2<sup>nd</sup> and 3<sup>rd</sup> floors. This program will provide 19 units of sober, recovery housing, and can accommodated an estimated 40-50 women and their children on an annual basis. Residents in the Project will have access to case management, continued outpatient treatment, self-help groups, employment workshops, and social events. Construction began in December 2017 and is anticipated to be completed by July 2018. The total estimated cost of construction for the Project is approximately \$4,000,000. Funding for the Project has been secured by the City of Manchester, New Hampshire Housing Finance Authority (NHHFA), Franklin Savings Bank, the Community Development Finance Authority (CDFA) and private foundations.

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

### Hope House

In December 2017, FIT and Housing Benefits began renovations on a new emergency housing facility in Wolfeboro, New Hampshire called Hope House.

The plan for renovation of this facility includes the following provisions: Hope House, modeled after FIT's Family Place Resource Center and Shelter in Manchester, New Hampshire, will be a comprehensive resource for families experiencing homelessness. In addition to emergency housing, Hope House will provide services including comprehensive intake, assessment and referrals designed to direct families to the appropriate homeless and housing resources in the community, referrals to medical care for parents and children, and other essential resources. Hope House is expected to house 7 families and their children each night, with an estimated 30 adults and 90 children annually. The renovations are expected to bring 7 bedrooms each with a private bathroom, a kitchen and dining area, and a staff office. The estimated cost of Hope House is approximately \$1,500,000 and its is scheduled to be placed into service late Spring 2018. Funding for Hope House is expected to be financed with lending from NHHFA, as well as private contributions.

#### 4. Line of Credit

The Organization has an unsecured line of credit agreement, renewed annually, with a financial institution in the amount of \$200,000. During the term of the agreement, the interest rate on any outstanding principal balance shall be equal to the base rate, as defined by the financial institution, with a floor of 4%. There was no outstanding balance or activity as of and for the years ended December 31, 2017 and 2016.

#### 5. Long-term Debt

Long-term debt consisted of the following:

	<u>2017</u>	<u>2016</u>
A mortgage loan payable to NHHFA in monthly payments of \$680, including interest at 1% and an escrow of \$289. The loan is collateralized by real estate located on Amherst Street, Manchester, New Hampshire. The loan is due and payable in full in January 2033.	\$ 57,243	\$ 60,724
A note payable to NHHFA. The note is noninterest bearing and is collateralized by real estate located on Amherst Street, Manchester, New Hampshire. The note is due and payable upon sale or refinancing of the property or in June 2042.	163,283	163,283

## FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

A mortgage loan payable to St. Mary's Bank in monthly payments of \$990, including interest at 4.55%. The loan is collateralized by real estate on Spruce Street, Manchester, New Hampshire and is due and payable in full in February 2019.	118,282	123,139
A vehicle loan on an activity bus payable to New Hampshire Health and Education Facilities Authority in monthly payments of \$525 at 1% annual interest rate. The loan was due and payable in February 2017.	-	1,077
A mortgage loan payable to TD Bank, N.A. in monthly payments of \$1,359, including interest at 4.1%. The loan is collateralized by real estate at Beech Street, Manchester, New Hampshire. The loan is due and payable in full in November 2023.	69,980	80,597
A mortgage loan payable to RBS Citizens Bank in monthly payments of \$2,126, including interest at 7.18%. The loan is collateralized by real estate on Douglas Street, Manchester, New Hampshire. The loan is due and payable in full in April 2024.	226,616	235,139
A mortgage note payable by Bicentennial to NHHFA, collateralized by real estate and personal property. Monthly payments of \$1,095 include interest at 4.75% per annum until the principal and interest are fully paid with the final installment due and payable on May 1, 2034.	147,919	153,833
A noninterest bearing note payable by Bicentennial to NHHFA, collateralized by real estate and various financing instruments. Annual payments of 50% of surplus cash are due. The note is due and payable on May 28, 2034. This is nonrecourse.	85,018	85,018
A noninterest bearing note payable by Bicentennial to NHHFA, collateralized by real estate and various financing instruments. Annual payments of 25% of surplus cash are due. The note is due and payable on May 28, 2033. This note is nonrecourse and is subordinate to the \$85,018 note payable.	336,955	337,720
A noninterest bearing note payable by Bicentennial to Merrimack County, collateralized by real estate and various financing instruments. The note is due and payable in full in May 2033.	260,000	260,000

## FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

A noninterest bearing note payable by Millyard II to NHHFA, collateralized by real estate and various financing instruments. Annual payments of 25% of surplus cash are due. The note is due and payable upon sale or refinancing of the property or in May 2031. This loan is nonrecourse.	<b>449,877</b>	449,877
A mortgage note payable by Millyard II to NHHFA, collateralized by real estate and personal property. Monthly payments of \$1,729 include principal and interest at 3.5% per annum. The final installment is due and payable on September 1, 2032.	<b>233,053</b>	245,315
A note payable by Millyard II to the City of Manchester, New Hampshire, collateralized by real estate and various financing instruments. A payment of interest shall be made annually no later than August 1 each year based on 42.5% of the net cash flow, as defined. In any year where the Debt Coverage Ratio, as defined, exceeds 1.15 to 1, principal payments shall be made no later than August 1 in an amount that will result in a 1.15 to 1 Debt Coverage Ratio. All unpaid amounts are due and payable in full on August 1, 2031. This note is nonrecourse.	<b>226,725</b>	226,725
A noninterest bearing note payable by Millyard II to the New Hampshire Community Loan Fund, Inc. (NHCLF), collateralized by real estate. Payment of principal is due and payable on December 31, 2031. This note is nonrecourse.	<b>250,000</b>	250,000
A mortgage note payable by Housing Benefits to the City of Manchester Community Improvement Program, collateralized by Millyard Families I real estate. The note is noninterest bearing and is due and payable in January 2027.	<b>230,000</b>	230,000
A second mortgage note payable by Housing Benefits to CDFA, collateralized by Millyard Families I real estate. Monthly payments of \$1,121 include principal and interest at 2% per annum. The final installment is due and payable on June 15, 2022.	<b>57,837</b>	69,998
A mortgage note payable by Family Bridge to NHHFA, collateralized by real estate and personal property. The note bears no interest and is to be repaid from 50% of available surplus cash annually with all remaining principal due on August 30, 2034.	<b>850,000</b>	850,000

## FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

A promissory note payable by Family Bridge to TD Bank, N.A., collateralized by real estate. Monthly payments of \$3,953 include principal and interest at 4.33%. The note is payable in full in November 27, 2023 and is guaranteed by FIT and Family Mill.	450,124	462,486
A promissory note payable by Family Bridge to the City of Manchester, New Hampshire. The note is noninterest bearing with annual payments of 50% of net cash flow payable by October 1. The outstanding principal is due by October 1, 2034. The note is collateralized by real estate and is nonrecourse.	600,000	600,000
A mortgage note payable by Family Willows to NHHFA, collateralized by real estate and personal property. The note bears no interest and is to be repaid from 50% of available surplus cash annually with all remaining principal due on July 9, 2037.	550,878	567,448
A note payable by Family Willows to the City of Manchester, New Hampshire. The note is noninterest bearing and has an annual payment of \$9,091 payable on October 1. All outstanding principal is due by October 2029. The note is collateralized by real estate and is nonrecourse.	99,999	109,090
A note payable by Family Willows to RBS Citizens Bank, collateralized by real estate. Monthly payments of \$1,882 include principal and interest at 3.75%, based on the prime rate capped at 6%. The note is payable in full on June 27, 2033 and is guaranteed by FIT and Big Shady Tree.	275,398	287,593
A mortgage note payable by Housing Benefits to NHHFA, collateralized by School & Third Street real estate and personal property. Monthly payments of \$2,775 include principal and interest at 8% per annum. The note is due in February 2021.	95,775	119,838
A second mortgage note payable by Housing Benefits to NHCLF, collateralized by School & Third Street real estate and personal property. The note bears no interest and monthly payments of \$2,775 will commence on April 15, 2021 and continue until maturity in October 2039.	617,613	617,613



**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

<p>A mortgage note payable by Housing Benefits to NHHFA, collateralized by Belmont Street real estate and personal property. The non-interest bearing note requires annual payments in amounts equal to 50% of surplus cash. The note is payable in full by December 2040.</p>	<b>413,575</b>	413,575
<p>A privately-financed mortgage note collateralized by property located at South Main Street in Concord, New Hampshire. Monthly payments of \$3,158 include principal and interest at 6.25% per annum. The note is payable in full in September 2031.</p>	<b>348,981</b>	364,529
<p>A mortgage note payable from Housing Benefits to NHHFA, collateralized by Lowell Street real estate and personal property. The non-interest bearing note requires annual payments in amounts equal to 50% of surplus cash. The note is payable in full in August 2040.</p>	<b>34,628</b>	34,628
<p>A second, noninterest bearing, mortgage note payable from Housing Benefits to the City of Manchester, New Hampshire, collateralized by Lowell Street real estate. Annual payments equal to the greater of 25% of net cash flow, as defined, or \$4,000 commenced in October 2012 and continue until the maturity date in June 2041.</p>	<b>168,022</b>	172,022
<p>A noninterest bearing promissory note payable from Housing Benefits to NHHFA collateralized by a mortgage and security agreement on Lowell Street real estate. The note is to be forgiven 1/15th annually over the low-income housing tax credit compliance period which ends in 2026, subject to compliance with certain requirements. During 2017 and 2016, \$131,267 was recognized as revenue and support in the consolidated statement of activities.</p>	<b>1,115,764</b>	1,247,031
<p>A mortgage note payable from Housing Benefits to NHHFA, collateralized by Dover real estate and personal property. The noninterest bearing note requires annual payments in amounts equal to 50% of surplus cash. The note is payable in full by June 2028.</p>	<b>216,672</b>	219,364
<p>A technical assistance note payable to NHHFA to provide support to the Organization for the Hope House. If Hope House is approved, NHHFA is expected to be the lead lender on Hope House. At the time of closing on the construction loan, this noninterest bearing note payable was repaid.</p>	-	13,841

## FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

A noninterest bearing mortgage note payable to the City of Manchester Community Improvement Program, collateralized by real estate located at 393-395 Spruce Street. The note has a borrowing limit of \$500,000. As costs are incurred Housing Benefits is to be reimbursed by the City of Manchester. Annual payments of the greater of 25% of net cash flow, as defined, or \$5,000 are due by October 1 commencing October 1, 2015. The note is due in full by October 1, 2045.	<b>582,808</b>	582,808
A mortgage note payable to TD Bank, N.A., collateralized by real estate located at 167 Lake Avenue and personal property located at 161 South Beech Street, Unit 2. Monthly payments of \$1,921 include principal and interest at 3.41%. The note is due in full by April 2019.	<b>398,203</b>	407,357
A vehicle loan payable in monthly payments of \$488, including interest at 4.06%. The loan is due in September 2020 and is collateralized by the related vehicle.	<b>15,239</b>	20,369
A vehicle loan payable in monthly payments of \$760, including interest at 5.374%. The loan is due in November 2020 and is collateralized by the related vehicle.	<b>22,624</b>	30,610
A mortgage note payable to NHHFA, collateralized by the real estate at Lake Avenue, Manchester, New Hampshire. The non-interest bearing note requires annual payments in amounts equal to 50% of surplus cash. The note is payable in full by June 2045.	<b>750,000</b>	750,000
A mortgage note payable to TD Bank, N.A., collateralized by real estate located at 641 Hayward Street, Manchester, New Hampshire. Monthly payments of \$1,091 include principal and interest at 4.25%. The note is due in full by January 2040.	<b>188,387</b>	193,233
A mortgage note payable to Peoples United Bank, collateralized by Hope House. Monthly payments of \$2,270 include principal and interest at 4.94%. The note is due in full by January 2027.	<b>390,000</b>	-
A construction loan payable to Franklin Savings Bank, collateralized by real estate located at 267 Wilson Street, Manchester, New Hampshire. Housing Benefits has the ability to draw up to \$825,000 on the promissory note. Monthly payments including principal and interest will be due over a 30 year period starting September 2018 at 4.90% interest.	<b>270,855</b>	-

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

A noninterest bearing construction loan payable to NHHFA, collateralized by real estate located at 267 Wilson Street, Manchester, New Hampshire. The note has a borrowing limit of \$720,000. Annual payments in amounts equal to 25% of surplus cash. The note is due in full by November 1, 2047.	<b>113,819</b>	-
Three vehicle loans collateralized by an activity bus payable to Ford Credit in monthly payments of \$392 at 5.90% annual interest rate. The loan is due and payable in March 2022.	<u>51,965</u>	-
	<b>11,534,117</b>	11,035,880
Less current portion	<u>216,147</u>	<u>204,278</u>
	<b><u>\$ 11,317,970</u></b>	<b><u>\$10,831,602</u></b>

Surplus cash for the purposes of these disclosures is as defined in the respective loan agreements.

Principal maturities of the above notes over the next five years and thereafter are as follows:

2018	\$ 216,147
2019	702,744
2020	205,460
2021	207,834
2022	192,828
Thereafter	<u>10,009,104</u>
	<b><u>\$ 11,534,117</u></b>

Cash paid for interest approximates interest expense.

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

### 6. Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for the following purposes:

	<u>2017</u>	<u>2016</u>
The Family Place - services	\$ -	\$ 4,858
Scholarships	10,264	12,264
VISTA program	57,351	58,093
Housing programs	-	10,492
Direct care for clients	109,749	169,494
Community Gardens	-	42,771
Hope House	241,761	-
Family Willows Recovery Housing Program	299,797	-
New Horizons for New Hampshire merger (Note 11)	98,500	-
Grant receivable - time restricted	<u>80,000</u>	<u>117,000</u>
	<u>\$ 897,422</u>	<u>\$ 414,972</u>

### 7. Commitments

Under the terms of the Limited Partnerships' Regulatory Agreements with NHHFA, each Limited Partnership is required to make deposits to various escrow accounts to fund expected future costs.

Each Limited Partnership has entered into a Land Use Restriction Agreement with NHHFA, as a condition of the allocation of low-income housing tax credits by NHHFA. Pursuant to the covenant, the Limited Partnerships are required to remain in compliance with Code Section 42 for the compliance period and an extended use period, unless terminated sooner.

### 8. Retirement Plan

The Organization has a tax deferred retirement plan which is available to all employees working greater than 25 hours a week. All employees are eligible to participate and are fully vested with the first contribution. The Organization matches contributions at 100% up to 3% of compensation. The Organization contributed \$49,814 and \$34,176 during the years ended December 31, 2017 and 2016, respectively.

### 9. Housing Action New Hampshire

In 2011, the Organization entered into a Fiscal Sponsorship Agreement with Housing Action New Hampshire (HANH), an unincorporated association. Authority to manage the programmatic activities of HANH is vested solely in HANH. The Organization maintains the books and financial records for HANH in accordance with U.S. GAAP. HANH funds are presented in the Organization's consolidated statement of financial position as funds held as fiscal agent. Effective January 1, 2018, the Fiscal Sponsorship Agreement terminated and the Organization no longer maintains the books and financial records for HANH.

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

**10. Noncontrolling Interest**

Noncontrolling interest, as shown in the consolidated statement of financial position, represents investments by limited partners in the Limited Partnerships as follows as of December 31:

<u>Limited Partner</u>	<u>Property</u>	<u>2017</u>	<u>2016</u>
Community Capital 2000 New Hampshire Housing Equity Fund, Inc.	Millyard II	\$ -	\$ 848,610
JP Morgan Chase	Bicentennial	213,660	263,968
BCCC, Inc.	Bicentennial	213,791	264,089
Boston Capital Corporate	Family Bridge	10	10
BCCC, Inc.	Family Bridge	1,135,777	1,320,087
Boston Capital Midway	Family Willows	10	10
	Family Willows	<u>2,002,230</u>	<u>2,111,337</u>
		<u>\$ 3,565,478</u>	<u>\$ 4,808,111</u>

**11. Subsequent Events**

For purposes of the preparation of these consolidated financial statements in conformity with U.S. GAAP, the Organization has considered transactions or events occurring through March 30, 2018, which was the date the consolidated financial statements were available to be issued. Management has not evaluated subsequent events after that date for inclusion in the consolidated financial statements.

**FIT and New Horizons for New Hampshire (NHNH) Merger**

Since 1973, NHNH has worked to assist low income persons providing an adult emergency shelter, a soup kitchen, a women's shelter and food pantry to address the social issues facing the Manchester, New Hampshire community. On October 18, 2017 it was announced, that effective January 1, 2018, FIT and NHNH will merge to create an integrated system of care that will provide an increased supply of affordable housing for those most in need, sustain positive outcomes through the incorporation of evidence based practices proven to meet identified needs and goals, identify areas for systemic and programmatic improvements through the use of consistent and accurate data to regularly measure success, and provide an integrated system of care that will prevent homelessness when possible and rapidly rehouse those who become homeless, including both the chronically homeless and families with children. As a result, NHNH assets of approximately \$3,000,000 and liabilities of approximately \$200,000 will be included in FIT's consolidated financial statements beginning in 2018.

## **FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

### **Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

#### Serenity Place Receivership

On December 20, 2017, the Director of Charitable Trusts, under the supervision of the Attorney General for the State of New Hampshire, appointed FIT as Receiver of Serenity Place, a New Hampshire based nonprofit organization that was no longer, financially or organizationally, able to meet the demands placed upon its services. The Receivership afforded FIT the ability to provide Serenity Place with management to maintain its operations while planning for the future provision of its substance use services. As of January 31, 2018, Serenity Places' substance use services had either been terminated or moved to other substance use service providers with the exception of one program that is to remain under Serenity Place control until the second quarter of 2018 at which time the program is expected to be relocated to another substance use service provider. Two of the substance use programs were absorbed by FIT to continue to provide substance use services to those individuals in need. FIT's assigned Receivership is expected to end with the relocation of Serenity Place's final program and the filing of Chapter 7 bankruptcy protection.

## **Families in Transition/New Horizons New Hampshire Board of Directors**

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### **Board of Directors**

**Dick Anagnost, Co -Chairperson**

*President, Anagnost Companies*

Board member since 2018

**David Cassidy, Co-Chairperson**

*Senior Vice President, Eastern Bank*

Board member since 2018

**Charla Bizios Stevens, Vice Chairperson**

*Director, Litigation Department and Chair of Employment Law Practice Group*

*McLane Middleton, Professional Association Esquire*

Board member since 2018

**Robert Bartley, Treasurer**

*President, CPA, CFP, Bartley Financial Advisor*

Board member since 2018

**Frank Saglio, Asst. Treasurer**

*Howe, Riley and Howe*

Board member since 2018

**Kristi Scarpone, Secretary**

*Corporate and Foundation Relations, First Robotics*

Board member since 2018

**Roy Tilsley, At Large**

*Bernstein Shur*

Board member since 2018

**Colleen Cone, At Large**

*Sr. Director Employee Relations Greater Boston Area, Comcast*

Board member since 2018

**Alison Hutcheson**

*Manager of Sales, Merchants Fleet Management*

Board member since 2018

**Mary Ann Aldrich**

*Clinical Director of Community Health, Dartmouth-Hitchcock Manchester*  
Board member since 2018

**Helen Davies**

*Director of Community Relations, Southern New Hampshire University*  
Board member since 2018

**Scott W. Ellison**

*Partner, COOK, LITTLE, ROSENBLATT & MANSON, pllc*  
Board member since 2018

**AnnMarie French**

*Communications Manager, NH Fiscal Policy Institute*  
Board member since 2018

**Brian Hansen**

*Team Engineering*  
Board member since 2018

**Sarah Jacobs**

*University of New Hampshire at Manchester*  
Board member since 2018

**Peter Kachavos**

*No affiliation*  
Board member since 2018

**Tony Matos**

*CEO, Altos*  
Board member since 2018

**Brian Mikol**

*Spectrum Marketing*  
Board member since 2018

**Ryan Mulholland**

*Westbridge*  
Board member since 2018

**Wayne McCormick, CFP**

*Steward Partners Managing Director Wealth Manager*  
Board member since 2018

**Jack Olson**

*Texas Instruments*  
Board member since 2018



**Kitten Stearns**

*Realtor, Coldwell Banker Residential Brokerage*

Board member since 2018

**Peter Telge**

*Owner, Stark Brewing Company*

Board member since 2018

**Heather Whitfield**

*Vice President, Commercial Lending, People's United Bank*

Board member since 2018

# Meghan E. Shea, LICSW, MLADC

## OBJECTIVE

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Continue to utilize and expand the clinical and management skills have I attained from my professional and academic training to secure a position in a nonprofit setting.

## EDUCATION / LICENSURE

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**Master – Licensed Alcohol and Drug Counselor** September 2010- Present

**Licensed Independent Clinical Social Worker** October 22, 2012-Present

**Master of Social Work, University of New Hampshire** May 2010

- Graduated with an MSW from the Advanced Standing Program

**Bachelor of Art, Social Work, University of New Hampshire** May 2006

- Graduated with an BSW with GPA of 3.41

## EMPLOYMENT

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### Vice President, Clinical & Supportive Services

#### Families in Transition-New Horizons

December 20<sup>th</sup>, 2017 – present

- Receivership-Interim Executive Director of Serenity Place
- Oversees all clinical and supportive services at Families in Transition-New Horizons including emergency shelter, transitional and permanent supportive housing, Intensive Outpatient Services, Outpatient services, Recovery Housing and programming.
- Quality of control of healthcare facilities licensure.
- Oversight of fidelity of evidence based practices and models.
- Oversight of staff competencies and required trainings for best practices across the agency.
- Supervision of agency program managers and housing director.
- Provide clinical supervisor for licensure and certifications.
- Quality control of all billing policies and procedures.

#### Clinical Director

#### Families in Transition

Sept 1<sup>st</sup>, 2016- December 2017

- Oversee and manage Sr. Housing Program Manager who supervises the supportive services department with up to 25 staff providing housing (emergency, transitional and permanent) and supportive services with capacity to serve 200 homeless individual and families. Supportive services encompass individual case management, therapy, psycho-educational workshops, pro-social family activities and crisis intervention.
- Oversee the Family Willows Program Manager who supervises 11 clinical staff who conduct co-occurring treatment to women only
- Develop and staff Recovery Housing program and implementation of newest housing and supportive service programming
- Develop and oversight Open Doors outpatient programming for all transitional housing programs of FIT
- Ensure quality programming across Families in Transitions clinical department
- Provide training within the organization and community on substance misuse in NH.
- Administer all program policies and procedure for Families In Transition's various Supportive Service
- Oversight of billing components of all levels of Co-occurring treatment.

#### Therapist

January 2014- Present

#### Bedford Family Therapy

- Treat a caseload of 15 clients in a private outpatient group practice

- Utilize various evidence based practices CBT,DBT, and Seeking Safety skills to help clients meet their own individual goals
- Conduct Drug and Alcohol assessments
- Active participant in DWI Offender Program providing mandated outpatient session for individuals coming from the Impaired Drivers Program
- Participate in weekly supervision with other licensed clinicians part of the private group practice.

**Clinical & Supportive Service Manager**

**March 7<sup>th</sup>, 2016- August 31<sup>st</sup>,2016**

**Families In Transition**

- Manage the day to day operations for the Family Willows Substance Use Program including six staff members
- Manage the day to day operations for the Housing program of Families in Transition consisting of over 200 apartment units in New Hampshire.
- Provide clinical and administrative supervision for a total of 14 staff for Families In Transition
- Ensure compliance with budgetary and financial goals.
- Maintain compliance with State, Federal, Accreditation, Contract and Insurance regulations.
- Administer all program policies and procedure for Families In Transition's various Clinical Programs.

**Program Manager of the Family Willow Substance Use Treatment Program September 2014-2016**

**Families In Transition**

- Manage the day to day operations for the Family Willows Substance Use Program including six staff members
- Transitioned the program from grant funded to billing all commercial insurances
- Increased accessibility of treatment from 86 clients in 2013 to 250 in 2016.
- Provided clinical and administrative oversight of the FW Substance Use Treatment Program
- Carried a caseload of 12- 15 individual clients providing co-occurring evidence base therapeutic interventions.
- Facilitated Intensive Outpatient treatment in a group setting on a weekly basis to group of 12 women.
- Provided training and education to staff on clinical intervention and best practices in the group setting.

**Therapist**

**May 2010- September 2014**

**Families In Transition**

- Facilitated Intensive Outpatient Programming in a group setting daily for up to 12 clients
- Carried a caseload of up to 15 people for individual therapy.
- Provided crisis services for the hotline of Families In Transition
- Conducted Substance Use Disorder Assessments for incoming clients
- Produced treatment plans, progress notes and supporting documentation in a timely manner
- Helped implement new curriculum changes in the treatment programming

**MSW Intern**

**May 2009 to May 2010**

**Bedford Counseling – Mental Health Center of Greater Manchester**

- Conducted intake interviews for new, adult clients and develop comprehensive psycho-social assessments to include diagnosis and substance use assessments
- Provided psychotherapeutic intervention services to twenty-two individuals using brief treatment and cognitive behavioral interventions
- Attended therapeutic workshops pertaining to dual-diagnosis, behavioral health and client driven treatment planning

**Case Manager**

**June 2006- May 2010**

**Families In Transition**

- Provided in home case management services to 30 individuals and families to enhance housing stability among the homeless population.
- Provided crisis hotline coverage for all clinical programming of Families In Transition
- Conducted program interviews for the community support program
- Maintained all files with updated documentation, clear and concise progress notes and treatment plans
- Facilitated workshops to help enhance overall wellness to participants of the program
- Collaborated with community partners to increase referral resources

**PROFESSIONAL MEMBERSHIPS**

**Providers Association Board of Directors-Vice President of Treatment July 2014 to Present**

**NH Alcohol & Drug Abuse Counselors Association January 2012 to Present**

**Member of the Manchester Substance Use Collaborative March 2012 to Present**

**PRESENTATIONS**

**NH Association for infant mental health workshop Helping Parents Be Parents:  
Addressing Substance Use and Trauma in a Family System- Loon Mountain June 2015**

**Providers Association: Addressing Substance Misuse in the Home Environment March 31<sup>st</sup>,2016 at  
Wentworth Douglas Hospital in Dover, NH**

REFERENCES - AVAILABLE UPON REQUEST



## KELLY PAQUETTE

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

### PROFESSIONAL PROFILE

**Motivated, personable professional** with a successful track record of developing, managing and directing programs and services. Diplomatic and tactful with professionals and nonprofessionals at all levels. Accustomed to handling sensitive, confidential information. Demonstrated history of producing accurate, timely reports meeting stringent state and federal guidelines.

**Flexible and versatile -- able to maintain a sense of humor under pressure.** Poised and competent with demonstrated ability to easily transcend cultural differences. Thrive in deadline-driven environments. Excellent team-building skills.

### SKILLS SUMMARY

- Results-driven achiever with exemplary planning and organizational skills, along with a high degree of detail orientation.
- Innovative problem-solver who can generate workable solutions and implement effective solutions.
- Resourceful team player who excels at building trusting relationships with customers and colleagues.
- Collaborative team member who can effectively manage and communicate with multiple management and employee levels.
- Flexible team player who thrives in environments requiring ability to effectively prioritize and juggle multiple concurrent projects.
- Goal-driven leader who maintains a productive climate and confidently motivates, mobilizes, and coaches employees to meet high performance standards.

### PROFESSIONAL EXPERIENCE

#### **Communication**

- Prepare complex reports for internal and external partners, ensuring full compliance with agency, state and federal requirements and tight deadlines.
- Develop new services to meet customer needs, regional resource needs and improvement in service quality.
- Expand and maintain positive partnerships with the business community and current and potential program funders.
- Coordinate services with internal and external partners, service providers and community organizations.

### **Financial Management**

- Contribute to budgeting process by planning, implementing and meeting or exceeding annual financial goals.
- Produces accurate and timely reports, billing and other documentation.
- Contributes in policy creation and implementation with funders and internal partners for multiple programs.
- Review federal guidance related to grant funded workforce programs and summarizes it, analyzes it and disseminates it to other interested parties.

### **Detail Mastery & Organization**

- Manage all aspects of day-to-day operations of multiple programs.
- Manage facility logistics/maintenance of building.
- Compliance with all safety requirement.

### **EMPLOYMENT HISTORY**

**GOODWILL INDUSTRIES OF NORTHERN NEW ENGLAND** - Concord, NH  
**Senior Program Manager/Community Outreach Coordinator, 2010- Present**

**EVERYDAY ERRANDS** - Concord, NH  
**Owner/Operator, 2008-2010**

**NEW HAMPSHIRE WOMEN'S POLICY INSTITUTE** - Concord, NH  
**WOMEN'S FUND OF NEW HAMPSHIRE** - Concord, NH  
**LEADERSHIP NEW HAMPSHIRE-** Concord, NH  
**Office Manager/Program Assistant, 2008-2010**

**ORR & RENO, PA** - Concord, NH  
**Legal Assistant/Paralegal, 2000-2002**

**NELSON, KINDER, MOSSEAU & SATURLEY** - Manchester, NH  
**Legal Assistant, 1998-2000**

### **EDUCATION**

**FRANKLIN PIERCE COLLEGE** -- Concord, NH  
**Certificate in Paralegal Studies, 1999**

**FRANKLIN PIERCE COLLEGE** -- Concord, NH  
**B.S., Business Management, 1993**

### **COMPUTER SKILLS**

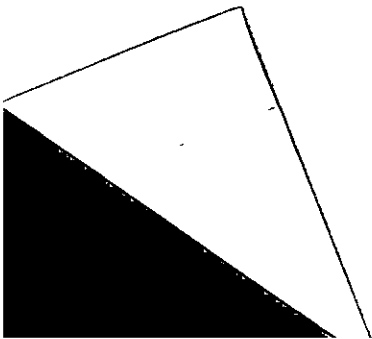
Strong computer skills with proficiency in Outlook, Word, Excel, PowerPoint.

**CONTRACTOR NAME**

Key Personnel

*Concord Ch. II*

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Maureen Beauregard	President	149,200	0%	-
Meghan Shea	VP of Clinical Services	76,280	10%	7,628
Kelly Paquette	Program Manager	59,740	10%	5,974





Subject: Continuum of Care, Concord Permanent Housing Program, SS-2019-BHHS-03-Perma-09


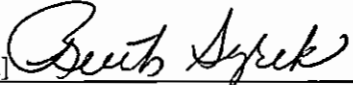
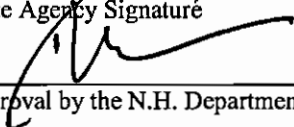
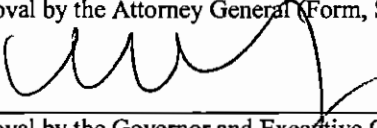
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Families in Transitions		1.4 Contractor Address 122 Market Street Manchester, NH 03101	
1.5 Contractor Phone Number (603) 641-9441	1.6 Account Number 05-95-42-423010-7927-102-500731	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$68,585
1.9 Contracting Officer for State Agency E. Maria Reinemann, Esq. Director of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9330	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Maureen Beauregard, President	
1.13 Acknowledgement: State of New Hampshire County of Hillsborough  On June 6, 2018, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  <div style="display: flex; align-items: center;"> <span style="margin-right: 5px;">[Seal]</span>  </div>			
1.13.2 Name and Title of Notary or Justice of the Peace Ruth Syrek, Admin. Asst., Notary Public		RUTH A. SYREK, Notary Public My Commission Expires October 16, 2018	
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Thomas Reistow, Dep. Commissioner	
Date: 6/8/18			
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: _____ _____ Attorney 6/8/18			
1.18 Approval by the Governor and Executive Council (if applicable)  By: _____ On: _____			

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

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

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, 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.



Exhibit A

**SCOPE OF SERVICES**

**Permanent Housing Program**

**1. Provisions Applicable to All Services**

- 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.2. 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, through the Bureau of Housing Supports, has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. The Contractor shall submit a detailed description of the language assistance services they will provided to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date; submitted to:  
NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301
- 1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

**2. Scope of Services**

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) CoC Program, the Contractor shall provide a Permanent Housing, Permanent Supportive Housing or Rapid Re-Housing project which includes, but is not limited to:
  - 2.1.1. Utilization of the "Housing First" model, which shall at a minimum, not impose barriers to entering housing, beyond those required by regulation or statute, and will only terminate project participation for the most severe reasons once available options have been exhausted to help a participant maintain housing.  
"Housing First" details can be accessed at:  
<https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf>
  - 2.1.2. The development of a stabilization plan and crisis management plan with the participant, at intake and, at a minimum, annually. An ongoing Assessment of Housing and Supportive Services is required, with the ultimate goal being assistance to the participant in obtaining the skills necessary to live in the community independently.
  - 2.1.3. The CoC Program interim rule, 24 CFR Part 578, requires that all CoCs implement a Coordinated Entry System (CES) in collaboration with any projects funded by the CoC Program, ESG Program, and HOPWA Program.  
24 CFR Part 578 can be accessed at:  
[https://www.hudexchange.info/resources/documents/CoCProgramInterimRule\\_FormattedVersion.pdf](https://www.hudexchange.info/resources/documents/CoCProgramInterimRule_FormattedVersion.pdf)



Exhibit A

- 2.1.4. The subrecipient is required to comply with applicable civil rights laws, per CFR Section 578.93, addressing nondiscrimination and equal opportunity requirements. Section 578.93(a) states that the nondiscrimination and equal opportunity requirements set forth in 24 CFR 578.105 (a) apply. This includes, but is not limited to, the Fair Housing Act, Title VI of Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 (Section 504), and title II of the Americans with Disabilities Act.
- 2.1.5. The subrecipient must establish and maintain standard operating procedures for ensuring that CoC program funds are used in accordance with the requirements of 24 CFR 578 and must establish and maintain sufficient records to enable HUD and BHS to determine whether the subrecipient is meeting the requirements, including:
  - 2.1.5.1. Continuum of Care records: Each collaborative applicant must keep the following documentation related to establishing and operating a CoC;
  - 2.1.5.2. Evidence that the Board selected by the Continuum of Care meets the requirements of § 578.5(b);
  - 2.1.5.3. Evidence that the Continuum has been established and operated as set forth in subpart B of this part, including published agendas and meeting minutes, an approved Governance Charter that is reviewed and updated annually, a written process for selecting a board that is reviewed and updated at least once every five (5) years, evidence required for designating a single Homeless Management Information System (HMIS) for the Continuum, and monitoring reports of recipients and subrecipients; and
  - 2.1.5.4. Evidence that the Continuum has prepared the application for funds as set forth in § 578.9, including the designation of the eligible applicant to be the collaborative applicant.
- 2.2. Unified funding agency records (UFAs) that requested grant amendments from HUD, as set forth in § 578.105, must keep evidence that the grant amendment was approved by the Continuum. This evidence may include minutes of meetings at which the grant amendment was discussed and approved.
- 2.3. Homeless status. Acceptable evidence of homeless status is set forth in 24 CFR 576.500(b).
- 2.4. At risk of homelessness status. For those recipients and subrecipients that serve persons at risk of homelessness, the recipient or subrecipient must keep records that establish "at risk of homelessness" status of each individual or family who receives CoC homelessness prevention assistance. Acceptable evidence is found in 24 CFR 576.500(c).
- 2.5. Records of reasonable belief of imminent threat of harm. For each program participant who moved to a different CoC due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking under § 578.51(c)(3), each recipient or subrecipient of assistance under this part must retain:
  - 2.5.1. Documentation of the original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file. This may be written observation of the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; court records or law enforcement records; or written certification by the program participant to whom the violence occurred or by the head of household.
  - 2.5.2. Documentation of the reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking, which would include threats from a third-party, such as a friend or family member of the perpetrator of the violence. This may be written observation

*MSB*





Exhibit A

by the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.

- 2.6. Annual income. For each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, the recipient or subrecipient must keep the following documentation of annual income:
  - 2.6.1. Income evaluation form specified by HUD and completed by the recipient or subrecipient; and
  - 2.6.2. Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement) for the assets held by the program participant and income received before the date of the evaluation;
  - 2.6.3. To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period; or
  - 2.6.4. To the extent that source documents and third-party verification are unobtainable, the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the three (3) month period following the evaluation.
- 2.7. Program participant records. In addition to evidence of homelessness status or at-risk-of-homelessness status, as applicable, the recipient or subrecipient must keep records for each program participant that document:
  - 2.7.1. The services and assistance provided to that program participant, including evidence that the recipient or Subrecipient has conducted an annual assessment of services for those program participants that remain in the program for more than a year and adjusted the service package accordingly, and including case management services as provided in § 578.37(a)(1)(ii)(F); and
  - 2.7.2. Where applicable, compliance with the termination of assistance requirement in § 578.91.
- 2.8. Housing standards. The recipient or subrecipient must retain documentation of compliance with the housing standards in § 578.75(b), including inspection reports.
- 2.9. Services provided. The recipient or subrecipient must document the types of supportive services provided under the recipient's program and the amounts spent on those services. The recipient or subrecipient must keep record that these records were reviewed at least annually and that the service package offered to program participants was adjusted as necessary.
- 2.10. Match. The recipient must keep records of the source and use of contributions made to satisfy the match requirement in § 578.73. The records must indicate the grant and fiscal year for which each matching contribution is counted. The records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.
- 2.11. Conflicts of interest. The recipient and its subrecipients must keep records to show compliance with the organizational conflict-of-interest requirements in § 578.95(c), the Continuum of Care board conflict-of-interest requirements in § 578.95(b), the other conflict requirements in §



Exhibit A

- 578.95(d), a copy of the personal conflict-of-interest policy developed and implemented to comply with the requirements in § 578.95, and records supporting exceptions to the personal conflict-of-interest prohibitions.
- 2.12. Homeless participation. The recipient or subrecipient must document its compliance with the homeless participation requirements under § 578.75(g).
- 2.13. Faith-based activities. The recipient and its subrecipients must document their compliance with the faith-based activities requirements under § 578.87(b).
- 2.14. Affirmatively Furthering Fair Housing. Recipients and subrecipients must maintain copies of their marketing, outreach, and other materials used to inform eligible persons of the program to document compliance with the requirements in § 578.93(c).
- 2.15. Other federal requirements. The recipient and its subrecipients must document their compliance with the federal requirements in § 578.99, as applicable.
- 2.16. Subrecipients and contractors.
- 2.16.1. The recipient must retain copies of all solicitations of and agreements with subrecipients, records of all payment requests by and dates of payments made to subrecipients, and documentation of all monitoring and sanctions of subrecipients, as applicable.
- 2.16.2. The recipient must retain documentation of monitoring subrecipients, including any monitoring findings and corrective actions required.
- 2.16.3. The recipient and its subrecipients must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR part 84.
- 2.17. Other records specified by HUD. The recipient and subrecipients must keep other records specified by HUD.
- 2.18. Confidentiality. In addition to meeting the specific confidentiality and security requirements for HMIS data, the recipient and its subrecipients must develop and implement written procedures to ensure:
- 2.18.1. All records containing protected identifying information of any individual or family who applies for and/or receives Continuum of Care assistance will be kept secure and confidential;
- 2.18.2. The address or location of any family violence project assisted with Continuum of Care funds will not be made public, except with written authorization of the person responsible for the operation of the project; and
- 2.18.3. The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with State and local laws regarding privacy and obligations of confidentiality;
- 2.19. Period of record retention. All records pertaining to Continuum of Care funds must be retained for the greater of five (5) years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.
- 2.19.1. Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for five (5) years after the expenditure of all funds from the grant under which the program participant was served; and
- 2.19.2. Where Continuum of Care funds are used for the acquisition, new construction, or rehabilitation of a project site, records must be retained until fifteen (15) years after the date that the project site is first occupied, or used, by program participants.





Exhibit A

2.20. Access to records.

2.20.1. Federal Government rights. Notwithstanding the confidentiality procedures established under paragraph (2.18.) of this section, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the recipient and its subrecipients that are pertinent to the Continuum of Care grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period, but last as long as the records are retained.

2.20.2. Public rights. The recipient must provide citizens, public agencies, and other interested parties with reasonable access to records regarding any uses of Continuum of Care funds the recipient received during the preceding five (5) years, consistent with State and local laws regarding privacy and obligations of confidentiality and confidentiality requirements in this part.

2.21. Based on the continued receipt/availability of federal funds from HUD COC Program Competition funding, over the grant period, the Contractor shall provide a permanent housing program that is targeted to serve nine (9) homeless individuals and families with disabilities.

2.22. The Contractor shall support the primary goal of this program which is to facilitate the movement of homeless and chronically homeless individuals and families to permanent housing and maximum self-sufficiency.

2.23. The Contractor shall maintain adherence to federal and state financial and confidentiality laws, and agrees to comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the 2017 NOFA Project Application approved by HUD.

2.24. The Contractor shall provide services according to HUD regulations as outlined in Public Law 102-550 and 24 CFR Part 578: Continuum of Care Program and other written HUD policies and directives as appropriate.

Public Law 102-550 can be accessed at:

<https://www.congress.gov/public-laws/102nd-congress>

The Electronic Code of Federal Regulations can be accessed at:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=2bfae50cb70b6febbaa82e6a7c0cf6b6b&mc=true&node=pt24.3.578&rqn=div5>

**3. Program Reporting Requirements**

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the subrecipient is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.3 Exhibit A; and

3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.

NH HMIS policy can be accessed at:

<http://www.nh-hmis.org>

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is



Exhibit A

required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.

- 3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by BHS.
- 3.4. The Contractor shall cooperate fully with and answer all questions of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.

**4. Contract Administration**

- 4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with Contractor performance.
- 4.3. The Contractor shall inform BHS of any staffing changes within thirty (30) days of the change.
- 4.4. Contract records shall be retained for a period of five (5) years or as required by state or federal law, following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and BHS.



Exhibit B

**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**1. Permanent Housing Program**

1.1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement pursuant to Exhibit A, Scope of Services, the State agrees to pay the Contractor an amount not to exceed Form P-37, Block 1.8, Price Limitation and for the time period specified below.

1.1.1. This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund:	0%
Federal Funds:	100%
CFDA #:	14.267
Grant Number:	NH0007L1T001710
Federal Agency:	U.S. Department of Housing & Urban Development (HUD)
Program Title:	Continuum of Care, Permanent Housing Program

Total Amount Continuum of Care;

July 1, 2018 – June 30, 2019: not to exceed \$68,585

Funds allocation under this agreement for Continuum of Care Program;

Administrative Expenses:	\$1,758
Leasing Expenses:	\$0
Operating Expenses:	\$0
Rental Assistance:	\$0
Supportive Services:	<u>\$66,827</u>
Total program amount:	\$68,585

1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

**2. Reports**

2.1. As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

2.1.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with 2 CFR part 200 which can be accessed at:

[https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State at the following address:

NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301



**Exhibit B**

2.2. Where the Contractor is not subject to the requirements of 2 CFR part 200, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

**3. Project Costs: Payment Schedule; Review by the State**

3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of 2 CFR part 200.

3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 578.87(c).

3.3. The subrecipient must match all grant funds, except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources. Cash match must be used for the cost of activities that are eligible under subpart D of 24 CFR 578.

3.4. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578, and in compliance with the budget detail and narrative, as outlined in the 2017 NOFA Project Application approved by HUD, the State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of P.L. 102-550 and other applicable regulations.

3.4.1. Payment of Project Costs shall be made through the utilization of funds as provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount and time period not to exceed as specified above in section 1.1.1. Exhibit B.

3.4.2. Authorized expenses shall be those expenses as detailed in Exhibit B-1, Budget.

3.5. Schedule of Payments: Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor agrees to keep records of their activities related to Department programs and services, and shall provide additional financial information if requested by the State to verify expenses. Invoices shall be submitted promptly to the address listed above in section 2.1.1. Exhibit B.

3.6. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all

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**Exhibit B**

payments made to date. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture.

- 3.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.

**4. Use Of Grant Funds**

- 4.1. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.
- 4.2. Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

**5. Expense Eligibility**

- 5.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize Continuum of Care Program agreement value specified in Exhibit B of this agreement from the HUD Continuum of Care Program, for contract services.

**5.1.1. Operating Expenses**

- 5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.
- 5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

**5.1.2. Supportive Services**

- 5.1.2.1. Eligible supportive services costs must comply with all HUD regulations in 24 CFR 578.53. Eligible services are available to those individuals actively participating in the permanent housing program.
- 5.1.2.2. Eligible costs include:
- 5.1.2.3. mental health services;
- 5.1.2.4. case management services;
- 5.1.2.5. salaries of Contractor staff providing supportive services;
- 5.1.2.6. reasonable one-time moving costs (truck rental and hiring a moving company);
- 5.1.2.7. child-care costs for establishing and operating child care;



**Exhibit B**

- 5.1.2.8. providing child-care vouchers for children from families experiencing homelessness (including meals, snacks, comprehensive and coordinated developmental activities);
- 5.1.2.9. education services;
- 5.1.2.10. employment assistance and job training skills;
- 5.1.2.11. housing search and counseling services;
- 5.1.2.12. legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing);
- 5.1.2.13. outpatient health services; and
- 5.1.2.14. transportation services and utility deposits.
- 5.1.2.15. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.

**5.1.3. Rental Assistance**

- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
- 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
- 5.1.3.3. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
- 5.1.3.4. Rental assistance will only be provided for a unit if the rent is reasonable. The Contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.
- 5.1.3.5. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits.
- 5.1.3.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
- 5.1.3.7. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
- 5.1.3.8. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require

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**Exhibit B**

program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid Re-Housing program component must be tenant based rental assistance.

- 5.1.3.9. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.1.3.10. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.1.3.11. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.

**5.1.4. Administrative Costs**

5.1.4.1. Administrative costs include:

5.1.4.2. preparing program budgets;

5.1.4.3. schedules and amendments;

5.1.4.4. developing systems for assuring compliance with program requirements;

5.1.4.5. developing interagency agreements and agreements with subrecipients and Contractors to carry out program activities;

5.1.4.6. preparing reports and other documents related to the program for submission to HUD;

5.1.4.7. evaluating program results against stated objectives;

5.1.4.8. travel costs incurred for official business in carrying out the program;

5.1.4.9. administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services) and;

5.1.4.10. other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).

**5.1.5. Leasing:** Leasing may include leasing one structure or leasing units scattered throughout a community.

5.1.5.1. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Contractor.

5.1.5.2. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.

5.1.5.3. The Contractor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.

5.1.5.4. Property damages may only be paid from money paid to landlord for security deposits.

5.1.5.5. The Contractor cannot lease a building that it already owns to itself.

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**Exhibit B**

5.1.5.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.

5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).

5.2.1. The Contractor must match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.

5.2.2. Match requirements are to be documented with each payment request.

5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 5. Expense Eligibility, Exhibit B. The Contractor must have written approval from the State prior to billing for any other expenses.

5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.

5.5. The Contractor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.

**6. Contractor Financial Management System**

6.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.

6.2. The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3, Project Costs: Payment Schedule; Review by the State, of this Agreement.



Exhibit B-1 Budget

NH BUREAU OF HOUSING SUPPORTS  
Continuum of Care Program Payment Request Form  
2017 NOFA

**For BHS use only**  
**Vendor # 157730 - B001**  
**Contract #            Line # 1**  
**Invoice: FITPH**  
**Descript: NH0007L1T001710**  
**Account: 010-042-7927-102-500731**  
**Add Activities**  
**Amount \$**  
**Job #42301504**  
**Amount \$**  
**Job #42301505**

Provider Authorizing Signature

BHS USE ONLY

Amount	Initial	Date
\$ -	KS	
Amy O'Hara, Financial Manager		

Families in Transition Concord PHP							
Service Period:							
7/1/18 - 6/30/19							
COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H
Activity Name	Activity Budget	Pymts requested received	MATCH Previously Applied	Balance	Amount Requested This Invoice	Match applied this invoice	Balance
Supportive Services	\$ 66,827.00	\$ -		\$ 66,827.00	\$ -		\$ 66,827.00
Case Management	\$ 64,427.00			\$ 64,427.00			\$ 64,427.00
Transportation	\$ 2,400.00			\$ 2,400.00			\$ 2,400.00
Administration	\$ 1,758.00			\$ 1,758.00			\$ 1,758.00
25% Required Match	\$ 17,147.00			\$ 17,147.00			\$ 17,147.00
Total HUD Funding	\$ 68,585.00	\$ -		\$ 68,585.00			\$ 68,585.00
Please Pay this Amount					\$ -		



**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;

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- 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.

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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 (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) 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

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- 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.



**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.



**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

*AD*



New Hampshire Department of Health and Human Services  
Exhibit D



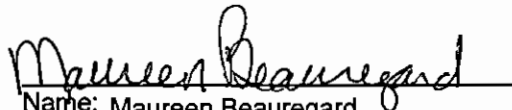
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
    - 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.

Contractor Name: Families in Transition

June 6, 2018  
Date

  
Name: Maureen Beauregard  
Title: President



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.

Contractor Name: Families in Transition

June 6, 2018  
Date

  
Name: Maureen Beauregard  
Title: President



**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

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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.

Contractor Name: Families in Transition

June 6, 2018  
Date

  
Name: Maureen Beauregard  
Title: President



**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

Contractor Initials

Handwritten initials, possibly "NAB", written in black ink.

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

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.

Contractor Name: Families in Transition

June 6, 2018  
Date

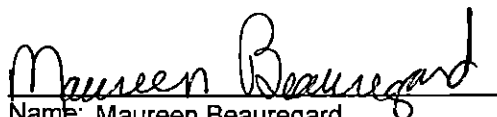

  
Name: Maureen Beauregard  
Title: President

Exhibit G

Contractor Initials 

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



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Contractor Name: Families in Transition

June 6, 2018  
Date


  
Name: Maureen Beauregard  
Title: President



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.





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



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) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

Department of Health and Human Services  
 The State  
 \_\_\_\_\_  
 Signature of Authorized Representative  
Thomas Pristow  
 Name of Authorized Representative  
Dep. Commissioner  
 Title of Authorized Representative  
6/8/18  
 Date

Families in Transition  
 Name of the Contractor  
Maureen Beauregard  
 Signature of Authorized Representative  
Maureen Beauregard  
 Name of Authorized Representative  
President  
 Title of Authorized Representative  
June 6, 2018  
 Date

Contractor Initials MB



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

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

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

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

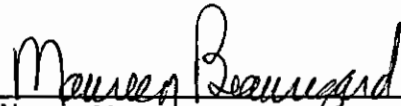
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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

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

Contractor Name: Families in Transition

June 6, 2018  
Date

  
Name: Maureen Beauregard  
Title: President

Contractor Initials 



**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: 825360399
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO                       YES

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

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

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

NO                       YES

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

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

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

Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____



Exhibit K

DHHS Information Security Requirements

A. Definitions

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

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

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

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

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

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

## I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

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

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



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

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

## II. METHODS OF SECURE TRANSMISSION OF DATA

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

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**DHHS Information Security Requirements**

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

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

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

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

**A. Retention**

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

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**DHHS Information Security Requirements**

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

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

**B. Disposition**

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

**IV. PROCEDURES FOR SECURITY**

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



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



DHHS Information Security Requirements

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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.



**DHHS Information Security Requirements**

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

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

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

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

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

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New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov



# State of New Hampshire

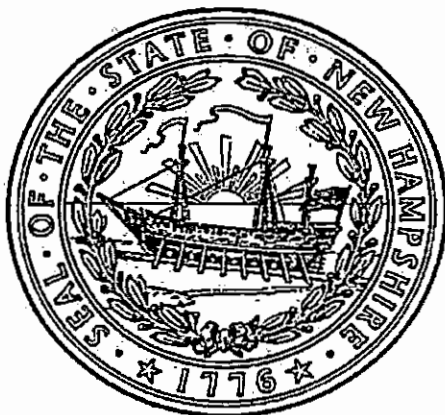
## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that FIT/NHNN, INC is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 13, 1994. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 207982

Certificate Number: 0004088815



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 26th day of April A.D. 2018.

A handwritten signature in black ink, appearing to read "William M. Gardner".

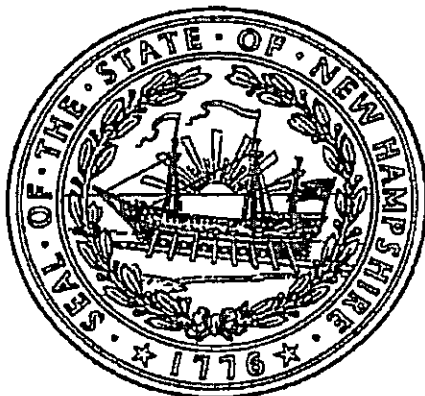
William M. Gardner  
Secretary of State

**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 FAMILIES IN TRANSITION is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 13, 1994. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 207982



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 25th day of April A.D. 2017.

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

William M. Gardner  
Secretary of State

## Business Information

### Business Details

Business Name: FAMILIES IN TRANSITION	Business ID: 785244
Business Type: Trade Name	Business Status: Active
Expiration Date: 1/2/2023	Last Renewal Date: Not Available
Business Creation Date: 01/02/2018	Name in State of Formation: Not Available
Date of Formation in Jurisdiction: 01/02/2018	
Principal Office Address: 122 Market Street, Manchester, NH, 03101, USA	Mailing Address: 122 Market Street, Manchester, NH, 03101, USA
Business Email: NONE	Phone #: NONE
Notification Email: NONE	Fiscal Year End Date: NONE

### Principal Purpose

S.No	NAICS Code	NAICS Subcode
1	OTHER / Hunger relief, emergency shelter, safe affordable housing and supportive services	

Page 1 of 1, records 1 to 1 of 1

### Trade Name Information

Business Name	Business ID	Business Status
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### Trade Name Owned By

Name	Title	Address
FIT/NHNH, INC (/online/BusinessInquire/TradeNameInformation?businessID=57015)	Business	Good Standing

# CERTIFICATE OF VOTE

I, Dick Anagnost, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Families in Transition  
(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 June 6, 2018:  
(Date)

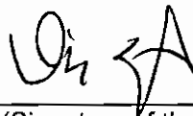
**RESOLVED:** That the President  
(Title of Contract Signatory)

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 6 day of June, 2018.  
(Date Contract Signed)

4. Maureen Beauregard is the duly elected President  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.



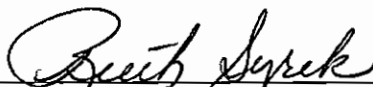
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 6 day of June, 2018,

By Dick Anagnost  
(Name of Elected Officer of the Agency)



(Notary Public/Justice of the Peace)

(NOTARY SEAL)

RUTH A. SYREK, Notary Public  
My Commission Expires October 16, 2018

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

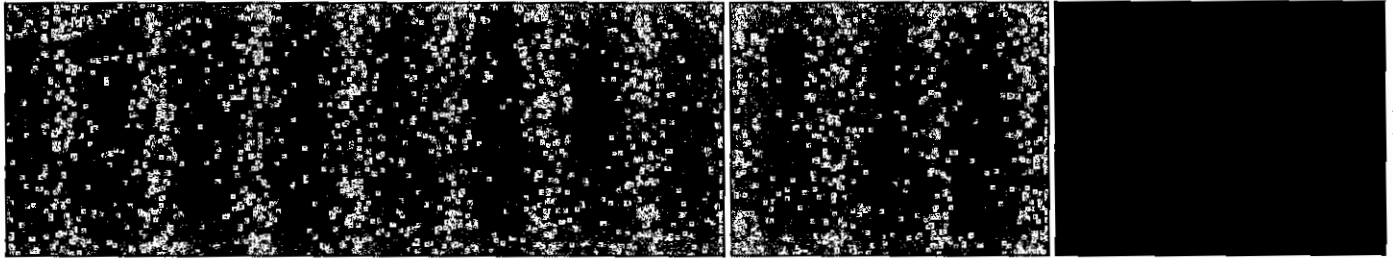


***Families in Transition***  
***122 Market Street***  
***Manchester, NH 03101***  
***Tel. 603-641-9441***  
***Fax. 603-641-1244***



***Mission***

To provide safe and affordable housing and  
comprehensive social services to individuals  
and families who are homeless or who are at risk of  
becoming homeless, enabling them to gain  
self-sufficiency and respect.



**Families  
in Transition**

*Providing a Home Building Hope*

**CONSOLIDATED FINANCIAL STATEMENTS**

and

**SUPPLEMENTARY INFORMATION**

**December 31, 2017**

**(With Comparative Totals for 2016)**

**With Independent Auditor's Report**





## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Families in Transition, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Families in Transition, Inc. and Subsidiaries (the Organization), which comprise the consolidated statement of financial position as of December 31, 2017 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit 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 auditor's 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 consolidated financial position of the Organization as of December 31, 2017, and the consolidated changes in their net assets and their consolidated cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.



***Report on Summarized Comparative Information***

We have previously audited the Organization's 2016 consolidated financial statements and, in our report dated March 29, 2017, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

***Other Matter***

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, which consists of the consolidating statement of financial position as of December 31, 2017, and the related consolidating statements of activities and functional expenses for the year then ended, is presented for purposes of additional analysis, rather than to present the financial position and changes in net assets of the individual entities, 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 U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Berry Dunn McNeil & Parker, LLC*

Manchester, New Hampshire  
March 30, 2018

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Consolidated Statement of Financial Position**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,062,497	\$ 797,760
Funds held as fiscal agent	96,383	91,897
Accounts receivable	38,380	21,649
Grants and contributions receivable	451,664	323,416
Prepaid expenses	33,229	35,838
Due from related parties	-	8,208
Other current assets	<u>43,097</u>	<u>42,795</u>
Total current assets	1,725,250	1,321,563
Replacement reserves	292,264	333,855
Reserve cash designated for properties	722,130	737,887
Investments	-	2,994
Investment in related entity	1,001	1,001
Property and equipment, net	26,210,337	26,990,325
Development in process	2,090,031	158,991
Other assets, net	<u>103,449</u>	<u>116,646</u>
Total assets	\$ <u>31,144,462</u>	\$ <u>29,663,262</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Current portion of long-term debt	\$ 216,147	\$ 204,278
Accounts payable	220,829	168,988
Accrued expenses	217,676	207,932
Funds held as fiscal agent	96,383	91,897
Other current liabilities	<u>49,504</u>	<u>48,106</u>
Total current liabilities	800,539	721,201
Long-term debt, less current portion	<u>11,317,970</u>	<u>10,831,602</u>
Total liabilities	<u>12,118,509</u>	<u>11,552,803</u>
Net assets		
Unrestricted - controlling interest	14,563,053	12,887,376
Unrestricted - noncontrolling interest	<u>3,565,478</u>	<u>4,808,111</u>
Total unrestricted	18,128,531	17,695,487
Temporarily restricted	<u>897,422</u>	<u>414,972</u>
Total net assets	<u>19,025,953</u>	<u>18,110,459</u>
Total liabilities and net assets	\$ <u>31,144,462</u>	\$ <u>29,663,262</u>

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

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Consolidated Statement of Activities**

**Year Ended December 31, 2017**

**(With Comparative Totals for the Year Ended December 31, 2016)**

	Unrestricted - Controlling Interest	Unrestricted - Noncontrolling Interest	Total Unrestricted	Temporarily Restricted	Total 2017	Total 2016
Revenue and support						
Federal, state and other grant support	\$ 2,564,953	-\$ -	\$ 2,564,953	\$ 647,794	\$ 3,212,747	\$ 2,349,452
Rental income, net of vacancies	1,841,064	-	1,841,064	-	1,841,064	1,779,729
Thrift store sales	685,756	-	685,756	-	685,756	733,574
Public support	425,225	-	425,225	-	425,225	291,046
Tax credit revenue	-	-	-	80,000	80,000	70,000
Special events	197,191	-	197,191	-	197,191	200,057
VISTA program revenue	125,742	-	125,742	-	125,742	83,649
Unrealized gains on investments	1,270	-	1,270	-	1,270	3,906
Gain (loss) on disposal of assets	5,133	-	5,133	-	5,133	(28,156)
Interest income	31,519	-	31,519	-	31,519	29,107
In-kind donations	61,548	-	61,548	-	61,548	22,549
Forgiveness of debt	131,267	-	131,267	-	131,267	131,267
Medicaid reimbursements	411,535	-	411,535	-	411,535	248,815
Other income	105,860	-	105,860	-	105,860	74,812
Net assets released from restrictions	245,344	-	245,344	(245,344)	-	-
<b>Total revenue and support</b>	<b>6,833,407</b>	<b>-</b>	<b>6,833,407</b>	<b>482,450</b>	<b>7,315,857</b>	<b>5,989,807</b>
Expenses						
Program activities						
Housing	6,299,553	-	6,299,553	-	6,299,553	5,260,642
Thrift store	681,291	-	681,291	-	681,291	590,896
Total program activities	6,980,844	-	6,980,844	-	6,980,844	5,851,538
Fundraising	418,486	-	418,486	-	418,486	402,696
Management and general	539,803	-	539,803	-	539,803	457,590
<b>Total expenses</b>	<b>7,939,133</b>	<b>-</b>	<b>7,939,133</b>	<b>-</b>	<b>7,939,133</b>	<b>6,711,824</b>
(Deficiency) excess of revenue and support over expenses	(1,105,726)	-	(1,105,726)	482,450	(623,276)	(722,017)
Grants and contributions for capital projects	1,538,770	-	1,538,770	-	1,538,770	7,300
Transfer of noncontrolling interest resulting from dissolution of limited partnership	848,610	(848,610)	-	-	-	-
Change in net assets	1,281,654	(848,610)	433,044	482,450	915,494	(714,717)
Change in net assets attributable to noncontrolling interest in subsidiaries	394,023	(394,023)	-	-	-	-
Change in net assets after reclassification of portion attributable to noncontrolling interest	1,675,677	(1,242,633)	433,044	482,450	915,494	(714,717)
Net assets, beginning of year, restated	12,887,376	4,808,111	17,695,487	414,972	18,110,459	18,825,176
Net assets, end of year	\$ 14,563,053	\$ 3,565,478	\$ 18,128,531	\$ 897,422	\$ 19,025,953	\$ 18,110,459

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

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Consolidated Statement of Functional Expenses**

**Year Ended December 31, 2017**

**(With Comparative Totals for the Year Ended December 31, 2016)**

	Program Activities			Management and General	2017 <u>Total</u>	2016 <u>Total</u>
	Housing	Thrift Store	Fundraising			
Salaries and benefits						
Salaries and wages	\$ 2,321,553	\$ 398,751	\$ 239,433	\$ 208,629	\$ 3,168,366	\$ 2,374,819
Employee benefits	292,962	23,458	17,717	15,438	349,575	239,051
Payroll taxes	<u>154,646</u>	<u>30,788</u>	<u>26,061</u>	<u>22,709</u>	<u>234,204</u>	<u>176,891</u>
Total salaries and benefits	2,769,161	452,997	283,211	246,776	3,752,145	2,790,761
Other expenses						
Advertising	9,973	24,062	1,176	1,025	36,236	45,919
Amortization	13,197	-	-	-	13,197	13,197
Application and permit fees	1,640	-	-	375	2,015	5,015
Bad debts	26,124	-	-	-	26,124	32,403
Bank charges	-	-	-	17,875	17,875	15,602
Consultants	59,296	3,017	8,862	6,963	78,138	77,186
Depreciation	952,355	10,129	21,808	19,002	1,003,294	987,859
Events	1,966	2,615	56,600	-	61,181	53,174
General insurance	124,169	7,035	495	22,205	153,904	143,622
Interest expense	174,616	660	-	-	175,276	180,332
Management fees	6,487	-	-	-	6,487	14,679
Meals and entertainment	4,176	131	467	407	5,181	7,656
Membership dues	8,209	-	969	844	10,022	10,600
Office supplies	95,970	17,988	11,506	10,026	135,490	128,829
Participant expenses	96,532	450	-	2,237	99,219	74,023
Postage	6,296	-	806	702	7,804	4,679
Printing	16,517	4,486	1,910	1,664	24,577	22,546
Professional fees	-	-	-	182,974	182,974	127,545
Related entity expense	(60,000)	60,000	-	-	-	-
Rental subsidies	298,272	-	-	-	298,272	223,872
Repairs and maintenance	360,187	39,875	4,847	4,223	409,132	429,714
Staff development	19,087	37	2,144	1,868	23,136	12,039
Taxes	325,478	2,706	-	-	328,184	326,539
Technology support	52,606	1,161	6,247	5,443	65,457	74,381
Telephone	71,136	5,920	7,407	6,454	90,917	84,460
Travel	30,719	6,553	3,855	3,359	44,486	46,755
Utilities	410,784	33,278	-	-	444,062	416,420
VISTA program	359,804	-	-	-	359,804	290,379
Workers' compensation	<u>64,796</u>	<u>8,191</u>	<u>6,176</u>	<u>5,381</u>	<u>84,544</u>	<u>71,638</u>
Total expenses	\$ <u>6,299,553</u>	\$ <u>681,291</u>	\$ <u>418,486</u>	\$ <u>539,803</u>	\$ <u>7,939,133</u>	\$ <u>6,711,824</u>

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

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Consolidated Statement of Cash Flows**

**Year Ended December 31, 2017**

**(With Comparative Totals for the Year Ended December 31, 2016)**

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets	\$ 915,494	\$ (714,717)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,016,491	1,001,056
Grants and contributions for capital projects	(1,538,770)	(7,300)
Forgiveness of debt	(131,267)	(131,267)
Unrealized gains on investments	(1,270)	(3,906)
(Gain) loss on disposal of assets	(5,133)	28,156
Decrease (increase) in:		
Accounts receivable	(16,731)	1,803
Grants and contributions receivable	(128,248)	632
Prepaid expenses	2,609	7,317
Other current assets	(302)	(1,493)
Increase (decrease) in:		
Accounts payable	51,841	(34,955)
Accrued expenses	9,744	55,302
Due to related party	-	(869)
Other current liabilities	1,398	3,441
Net cash provided by operating activities	<u>175,856</u>	<u>203,200</u>
Cash flows from investing activities		
Repayments of advances to related parties	8,208	601
Net withdrawals from (deposits to) reserve accounts	57,348	(22,933)
Proceeds from sale of investments	4,264	11,347
Investment in development in process	(1,931,040)	(689,070)
Proceeds from disposal of assets	5,133	-
Acquisition of property and equipment	<u>(162,691)</u>	<u>(152,990)</u>
Net cash used by investing activities	<u>(2,018,778)</u>	<u>(853,045)</u>
Cash flows from financing activities		
Grants and contributions for capital projects	1,538,770	31,724
Proceeds from long-term borrowings	772,009	570,377
Payments on long-term debt	<u>(203,120)</u>	<u>(182,122)</u>
Net cash provided by financing activities	<u>2,107,659</u>	<u>419,979</u>
Net increase (decrease) in cash and cash equivalents	264,737	(229,866)
Cash and cash equivalents, beginning of year	<u>797,760</u>	<u>1,027,626</u>
Cash and cash equivalents, end of year	\$ <u>1,062,497</u>	\$ <u>797,760</u>
Supplemental disclosure		
Acquisition of property and equipment through long-term borrowings from seller	\$ <u>60,615</u>	\$ <u>-</u>
Property and equipment transferred from development in process	\$ <u>-</u>	\$ <u>1,879,002</u>

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

## FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

#### Organization

Families in Transition, Inc. (FIT or the Organization) is a New Hampshire nonprofit, incorporated on May 13, 1994, to provide housing and comprehensive social services to individuals and families who are homeless or at risk of becoming homeless in certain areas of southern New Hampshire, including Manchester, Concord and Dover.

The Organization directly owns and operates housing programs in facilities located on Amherst Street, Spruce Street, Lake Avenue and Douglas Street in Manchester, New Hampshire. Additional housing facilities are owned and operated by several limited partnerships of which the Organization is the sole general partner. These limited partnerships include Bicentennial Families Concord Limited Partnership (Bicentennial), located at Bicentennial Square in Concord, New Hampshire; Family Bridge Limited Partnership (Family Bridge), located on Second Street in Manchester, New Hampshire; and Family Willows Limited Partnership (Family Willows), located on South Beech Street in Manchester, New Hampshire (collectively referred to as the Limited Partnerships).

In 2008, the Organization created a Community Development Housing Organization, Housing Benefits, Inc. (Housing Benefits). Housing Benefits identifies and develops new housing units and refurbishes existing units to meet the persistent need of combating homelessness. Completed housing units are located on School & Third Streets, Lowell Street, Belmont Street, Market Street (Millyard Families I), Spruce Street and Hayward Street, in Manchester, New Hampshire as well as an additional housing unit located on Central Avenue in Dover, New Hampshire (Dover).

During 2016, Millyard Families II, Limited Partnership (Millyard II) reached the end of its initial 15-year low-income housing tax credit compliance period. Effective of April 1, 2017, Community Capital 2000, L.P., the limited partner, and Brick Mill House Families II, Inc., the general partner wholly owned by FIT, withdrew from Millyard II. As a result, \$848,610 of Community Capital 2000, L.P. noncontrolling interest and \$692,233 of Brick Mill House Families II, Inc. controlling interest in Millyard II was assumed by Housing Benefits. Millyard II is a twenty-unit residential housing and commercial space complex located on Market Street in Manchester, New Hampshire.

In 2012, the Organization became the sole member of Manchester Emergency Housing, Inc. (MEH), a New Hampshire nonprofit corporation providing immediate shelter to homeless families in the Manchester, New Hampshire area. MEH is the only family shelter in Manchester, New Hampshire.

The Organization also owns 100% of Family OutFITters, LLC (OutFITters), a limited liability corporation. OutFITters operates independent thrift stores in Concord and Manchester, New Hampshire with the sole purpose of generating an alternate funding stream for the Organization.

The Organization has several wholly-owned corporations which include Bicentennial Families Concord, Inc. (Bicentennial Families), Second Street Family Mill, Inc. (Family Mill), and Big Shady Tree, Inc. (Big Shady Tree) (collectively referred to as the General Partners), all of which are New Hampshire corporations. These wholly-owned corporations represent the .01% sole general partners in the Limited Partnerships, whereby Bicentennial Families is a general partner of Bicentennial, Family Mill is a general partner of Family Bridge and Big Shady Tree is a general partner of Family Willows.

## FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

In 2012, the Organization became the sole member of The New Hampshire Coalition to End Homelessness (NHCEH), a statewide entity, whose mission is to "eliminate the causes for homelessness through research, education and advocacy". Since 2012, the activity of NHCEH has not been deemed material and has not been included in the consolidated financial statements. During 2017, management assessed the operations of NHCEH and anticipates an increase in its activity and has determined NHCEH activity should be included in the consolidated financial statements. As a result, the 2016 beginning of year net assets has been restated by \$24,424 to reflect NHCEH net assets not previously included in the consolidated financial statements.

#### 1. Summary of Significant Accounting Policies

##### Principles of Consolidation

Since the General Partners have control in the Limited Partnerships, in accordance with Financial Accounting Standards Board *Accounting Standards Codification* Topic 810-20-25, *Consolidation*, the financial statements of each of the Limited Partnerships' are required to be consolidated with the Organization's consolidated financial statements. The limited partners' ownership interest is reported in the consolidated statements of financial position as noncontrolling interest.

The consolidated financial statements include the net assets of the Organization, the Limited Partnerships, the General Partners, Housing Benefits, Millyard II, MEH, OutFITters and NHCEH. All significant inter-entity balances and transactions are eliminated in the accompanying consolidated financial statements.

##### Comparative Information

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles (U.S. GAAP). Accordingly, such information should be read in conjunction with the Organization's December 31, 2016 consolidated financial statements, from which the summarized information was derived.

##### Use of Estimates

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

## FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

#### Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified as follows based on the existence or absence of donor imposed restrictions.

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

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor imposed stipulations that they be maintained permanently by the Organization. The donors of these assets permit the Organization to use all or part of the income earned on related contributions for general or specific purposes. The Organization had no permanently restricted net assets as of December 31, 2017 and 2016.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization records donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support in the year of the gift.

The Organization reports contributions of land, buildings or equipment as unrestricted support, unless a donor places explicit restriction on its use. Contributions of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support and reclassified to unrestricted net assets when the assets are acquired and placed in service.

#### Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. Management regularly monitors the financial institutions, together with their respective cash balances, and attempts to maintain the potential risk at a minimum. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant risk on these accounts.

Restricted deposits are those deposits of cash and cash equivalents not generally available for operating costs, but restricted to particular uses including operating and replacement reserves for rental properties as well as certain other social services and programs.



## **FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

### **Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

#### **Property and Equipment**

Property and equipment are recorded at cost or, if donated, at estimated fair market value at the date of donation less accumulated depreciation. The Organization's capitalization policy requires the capitalization of capital expenditures greater than \$1,000, while ordinary maintenance and repairs are charged to expense. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, ranging from 5 to 30 years. Assets not in service are not depreciated.

#### **Volunteer Services**

A number of volunteers have donated their time to the Organization's various programs and administrative services. The value of these services has not been included in the accompanying consolidated financial statements since the volunteers' time does not meet criteria for recognition. The estimated value of donated time for the years ended December 31, 2017 and 2016 is approximately \$1,060,000 and \$990,000, respectively.

#### **Functional Expense Allocation**

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

#### **Income Taxes**

The Organization is a tax-exempt Section 170(b)(1)(A)(vi) public charity as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Accordingly, no provision for income taxes has been reflected in these financial statements.

The standards for accounting for uncertainty in income taxes require the Organization to report any uncertain tax positions and to adjust its financial statements for the impact thereof. As of December 31, 2017 and 2016, the Organization determined that it had no tax positions that did not meet the more-likely-than-not threshold of being sustained by the applicable tax authority. The Organization files an informational return in the United States. This return is generally subject to examination by the federal government for up to three years.

No provision for taxes on income is made in the Limited Partnerships' financial statements since, as a partnership, all taxable income and losses are allocated to the partners for inclusion in their respective tax returns.

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

**2. Property and Equipment**

Property and equipment consisted of the following:

	<u>2017</u>	<u>2016</u>
Land	\$ 3,112,699	\$ 3,112,698
Land improvements	602,600	602,600
Buildings and improvements	30,283,393	30,172,686
Furniture and fixtures	610,143	604,164
Equipment	217,695	182,631
Vehicles	<u>300,367</u>	<u>290,475</u>
	35,126,897	34,965,254
Less: accumulated depreciation	<u>8,916,560</u>	<u>7,974,929</u>
Property and equipment, net	<u>\$ 26,210,337</u>	<u>\$ 26,990,325</u>

At December 31, 2017 and 2016, the Organization held \$22,166,540 and \$22,840,478, respectively, of land, land improvements, and buildings and improvements, net of accumulated depreciation, for the purpose of leasing to individuals.

**3. Development in Process**

Development in process at December 31, 2017 consist of costs related to the following facilities:

Family Willows Recovery Housing Program

In response to the rising rates of opioid and other substance use issues throughout Manchester, New Hampshire and the State of New Hampshire, FIT and Housing Benefits are assisting in the establishment of The Manchester Recovery and Treatment Center, a large-scale facility to curb the tide of substance misuse.

The plan for establishment of this facility includes the following provisions: Each of the four floors of the Manchester Recovery and Treatment Center will provide different substance use disorder treatments or services to those at varying stages of recovery. Agencies using the facility will coordinate services to ensure that clients who seek services are provided with integrated and comprehensive care. One of the key programs in the facility will be Housing Benefit's Family Willows Recovery Housing Program (the Project) on the 2<sup>nd</sup> and 3<sup>rd</sup> floors. This program will provide 19 units of sober, recovery housing, and can accommodated an estimated 40-50 women and their children on an annual basis. Residents in the Project will have access to case management, continued outpatient treatment, self-help groups, employment workshops, and social events. Construction began in December 2017 and is anticipated to be completed by July 2018. The total estimated cost of construction for the Project is approximately \$4,000,000. Funding for the Project has been secured by the City of Manchester, New Hampshire Housing Finance Authority (NHHFA), Franklin Savings Bank, the Community Development Finance Authority (CDFA) and private foundations.

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

Hope House

In December 2017, FIT and Housing Benefits began renovations on a new emergency housing facility in Wolfeboro, New Hampshire called Hope House.

The plan for renovation of this facility includes the following provisions: Hope House, modeled after FIT's Family Place Resource Center and Shelter in Manchester, New Hampshire, will be a comprehensive resource for families experiencing homelessness. In addition to emergency housing, Hope House will provide services including comprehensive intake, assessment and referrals designed to direct families to the appropriate homeless and housing resources in the community, referrals to medical care for parents and children, and other essential resources. Hope House is expected to house 7 families and their children each night, with an estimated 30 adults and 90 children annually. The renovations are expected to bring 7 bedrooms each with a private bathroom, a kitchen and dining area, and a staff office. The estimated cost of Hope House is approximately \$1,500,000 and its is scheduled to be placed into service late Spring 2018. Funding for Hope House is expected to be financed with lending from NHHFA, as well as private contributions.

**4. Line of Credit**

The Organization has an unsecured line of credit agreement, renewed annually, with a financial institution in the amount of \$200,000. During the term of the agreement, the interest rate on any outstanding principal balance shall be equal to the base rate, as defined by the financial institution, with a floor of 4%. There was no outstanding balance or activity as of and for the years ended December 31, 2017 and 2016.

**5. Long-term Debt**

Long-term debt consisted of the following:

	<u>2017</u>	<u>2016</u>
A mortgage loan payable to NHHFA in monthly payments of \$680, including interest at 1% and an escrow of \$289. The loan is collateralized by real estate located on Amherst Street, Manchester, New Hampshire. The loan is due and payable in full in January 2033.	\$ 57,243	\$ 60,724
A note payable to NHHFA. The note is noninterest bearing and is collateralized by real estate located on Amherst Street, Manchester, New Hampshire. The note is due and payable upon sale or refinancing of the property or in June 2042.	163,283	163,283

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

<p>A mortgage loan payable to St. Mary's Bank in monthly payments of \$990, including interest at 4.55%. The loan is collateralized by real estate on Spruce Street, Manchester, New Hampshire and is due and payable in full in February 2019.</p>	<b>118,282</b>	123,139
<p>A vehicle loan on an activity bus payable to New Hampshire Health and Education Facilities Authority in monthly payments of \$525 at 1% annual interest rate. The loan was due and payable in February 2017.</p>	-	1,077
<p>A mortgage loan payable to TD Bank, N.A. in monthly payments of \$1,359, including interest at 4.1%. The loan is collateralized by real estate at Beech Street, Manchester, New Hampshire. The loan is due and payable in full in November 2023.</p>	<b>69,980</b>	80,597
<p>A mortgage loan payable to RBS Citizens Bank in monthly payments of \$2,126, including interest at 7.18%. The loan is collateralized by real estate on Douglas Street, Manchester, New Hampshire. The loan is due and payable in full in April 2024.</p>	<b>226,616</b>	235,139
<p>A mortgage note payable by Bicentennial to NHHFA, collateralized by real estate and personal property. Monthly payments of \$1,095 include interest at 4.75% per annum until the principal and interest are fully paid with the final installment due and payable on May 1, 2034.</p>	<b>147,919</b>	153,833
<p>A noninterest bearing note payable by Bicentennial to NHHFA, collateralized by real estate and various financing instruments. Annual payments of 50% of surplus cash are due. The note is due and payable on May 28, 2034. This is nonrecourse.</p>	<b>85,018</b>	85,018
<p>A noninterest bearing note payable by Bicentennial to NHHFA, collateralized by real estate and various financing instruments. Annual payments of 25% of surplus cash are due. The note is due and payable on May 28, 2033. This note is nonrecourse and is subordinate to the \$85,018 note payable.</p>	<b>336,955</b>	337,720
<p>A noninterest bearing note payable by Bicentennial to Merrimack County, collateralized by real estate and various financing instruments. The note is due and payable in full in May 2033.</p>	<b>260,000</b>	260,000

## FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

A noninterest bearing note payable by Millyard II to NHHFA, collateralized by real estate and various financing instruments. Annual payments of 25% of surplus cash are due. The note is due and payable upon sale or refinancing of the property or in May 2031. This loan is nonrecourse.	449,877	449,877
A mortgage note payable by Millyard II to NHHFA, collateralized by real estate and personal property. Monthly payments of \$1,729 include principal and interest at 3.5% per annum. The final installment is due and payable on September 1, 2032.	233,053	245,315
A note payable by Millyard II to the City of Manchester, New Hampshire, collateralized by real estate and various financing instruments. A payment of interest shall be made annually no later than August 1 each year based on 42.5% of the net cash flow, as defined. In any year where the Debt Coverage Ratio, as defined, exceeds 1.15 to 1, principal payments shall be made no later than August 1 in an amount that will result in a 1.15 to 1 Debt Coverage Ratio. All unpaid amounts are due and payable in full on August 1, 2031. This note is nonrecourse.	226,725	226,725
A noninterest bearing note payable by Millyard II to the New Hampshire Community Loan Fund, Inc. (NHCLF), collateralized by real estate. Payment of principal is due and payable on December 31, 2031. This note is nonrecourse.	250,000	250,000
A mortgage note payable by Housing Benefits to the City of Manchester Community Improvement Program, collateralized by Millyard Families I real estate. The note is noninterest bearing and is due and payable in January 2027.	230,000	230,000
A second mortgage note payable by Housing Benefits to CDFA, collateralized by Millyard Families I real estate. Monthly payments of \$1,121 include principal and interest at 2% per annum. The final installment is due and payable on June 15, 2022.	57,837	69,998
A mortgage note payable by Family Bridge to NHHFA, collateralized by real estate and personal property. The note bears no interest and is to be repaid from 50% of available surplus cash annually with all remaining principal due on August 30, 2034.	850,000	850,000

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

<p>A promissory note payable by Family Bridge to TD Bank, N.A., collateralized by real estate. Monthly payments of \$3,953 include principal and interest at 4.33%. The note is payable in full in November 27, 2023 and is guaranteed by FIT and Family Mill.</p>	<b>450,124</b>	462,486
<p>A promissory note payable by Family Bridge to the City of Manchester, New Hampshire. The note is noninterest bearing with annual payments of 50% of net cash flow payable by October 1. The outstanding principal is due by October 1, 2034. The note is collateralized by real estate and is nonrecourse.</p>	<b>600,000</b>	600,000
<p>A mortgage note payable by Family Willows to NHHFA, collateralized by real estate and personal property. The note bears no interest and is to be repaid from 50% of available surplus cash annually with all remaining principal due on July 9, 2037.</p>	<b>550,878</b>	567,448
<p>A note payable by Family Willows to the City of Manchester, New Hampshire. The note is noninterest bearing and has an annual payment of \$9,091 payable on October 1. All outstanding principal is due by October 2029. The note is collateralized by real estate and is nonrecourse.</p>	<b>99,999</b>	109,090
<p>A note payable by Family Willows to RBS Citizens Bank, collateralized by real estate. Monthly payments of \$1,882 include principal and interest at 3.75%, based on the prime rate capped at 6%. The note is payable in full on June 27, 2033 and is guaranteed by FIT and Big Shady Tree.</p>	<b>275,398</b>	287,593
<p>A mortgage note payable by Housing Benefits to NHHFA, collateralized by School &amp; Third Street real estate and personal property. Monthly payments of \$2,775 include principal and interest at 8% per annum. The note is due in February 2021.</p>	<b>95,775</b>	119,838
<p>A second mortgage note payable by Housing Benefits to NHCLF, collateralized by School &amp; Third Street real estate and personal property. The note bears no interest and monthly payments of \$2,775 will commence on April 15, 2021 and continue until maturity in October 2039.</p>	<b>617,613</b>	617,613

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

<p>A mortgage note payable by Housing Benefits to NHHFA, collateralized by Belmont Street real estate and personal property. The non-interest bearing note requires annual payments in amounts equal to 50% of surplus cash. The note is payable in full by December 2040.</p>	<b>413,575</b>	413,575
<p>A privately-financed mortgage note collateralized by property located at South Main Street in Concord, New Hampshire. Monthly payments of \$3,158 include principal and interest at 6.25% per annum. The note is payable in full in September 2031.</p>	<b>348,981</b>	364,529
<p>A mortgage note payable from Housing Benefits to NHHFA, collateralized by Lowell Street real estate and personal property. The non-interest bearing note requires annual payments in amounts equal to 50% of surplus cash. The note is payable in full in August 2040.</p>	<b>34,628</b>	34,628
<p>A second, noninterest bearing, mortgage note payable from Housing Benefits to the City of Manchester, New Hampshire, collateralized by Lowell Street real estate. Annual payments equal to the greater of 25% of net cash flow, as defined, or \$4,000 commenced in October 2012 and continue until the maturity date in June 2041.</p>	<b>168,022</b>	172,022
<p>A noninterest bearing promissory note payable from Housing Benefits to NHHFA collateralized by a mortgage and security agreement on Lowell Street real estate. The note is to be forgiven 1/15th annually over the low-income housing tax credit compliance period which ends in 2026, subject to compliance with certain requirements. During 2017 and 2016, \$131,267 was recognized as revenue and support in the consolidated statement of activities.</p>	<b>1,115,764</b>	1,247,031
<p>A mortgage note payable from Housing Benefits to NHHFA, collateralized by Dover real estate and personal property. The noninterest bearing note requires annual payments in amounts equal to 50% of surplus cash. The note is payable in full by June 2028.</p>	<b>216,672</b>	219,364
<p>A technical assistance note payable to NHHFA to provide support to the Organization for the Hope House. If Hope House is approved, NHHFA is expected to be the lead lender on Hope House. At the time of closing on the construction loan, this noninterest bearing note payable was repaid.</p>	-	13,841

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

<p>A noninterest bearing mortgage note payable to the City of Manchester Community Improvement Program, collateralized by real estate located at 393-395 Spruce Street. The note has a borrowing limit of \$500,000. As costs are incurred Housing Benefits is to be reimbursed by the City of Manchester. Annual payments of the greater of 25% of net cash flow, as defined, or \$5,000 are due by October 1 commencing October 1, 2015. The note is due in full by October 1, 2045.</p>	<b>582,808</b>	582,808
<p>A mortgage note payable to TD Bank, N.A., collateralized by real estate located at 167 Lake Avenue and personal property located at 161 South Beech Street, Unit 2. Monthly payments of \$1,921 include principal and interest at 3.41%. The note is due in full by April 2019.</p>	<b>398,203</b>	407,357
<p>A vehicle loan payable in monthly payments of \$488, including interest at 4.06%. The loan is due in September 2020 and is collateralized by the related vehicle.</p>	<b>15,239</b>	20,369
<p>A vehicle loan payable in monthly payments of \$760, including interest at 5.374%. The loan is due in November 2020 and is collateralized by the related vehicle.</p>	<b>22,624</b>	30,610
<p>A mortgage note payable to NHHFA, collateralized by the real estate at Lake Avenue, Manchester, New Hampshire. The non-interest bearing note requires annual payments in amounts equal to 50% of surplus cash. The note is payable in full by June 2045.</p>	<b>750,000</b>	750,000
<p>A mortgage note payable to TD Bank, N.A., collateralized by real estate located at 641 Hayward Street, Manchester, New Hampshire. Monthly payments of \$1,091 include principal and interest at 4.25%. The note is due in full by January 2040.</p>	<b>188,387</b>	193,233
<p>A mortgage note payable to Peoples United Bank, collateralized by Hope House. Monthly payments of \$2,270 include principal and interest at 4.94%. The note is due in full by January 2027.</p>	<b>390,000</b>	-
<p>A construction loan payable to Franklin Savings Bank, collateralized by real estate located at 267 Wilson Street, Manchester, New Hampshire. Housing Benefits has the ability to draw up to \$825,000 on the promissory note. Monthly payments including principal and interest will be due over a 30 year period starting September 2018 at 4.90% interest.</p>	<b>270,855</b>	-



**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

A noninterest bearing construction loan payable to NHHFA, collateralized by real estate located at 267 Wilson Street, Manchester, New Hampshire. The note has a borrowing limit of \$720,000. Annual payments in amounts equal to 25% of surplus cash. The note is due in full by November 1, 2047.	<b>113,819</b>	-
Three vehicle loans collateralized by an activity bus payable to Ford Credit in monthly payments of \$392 at 5.90% annual interest rate. The loan is due and payable in March 2022.	<u>51,965</u>	-
	<b>11,534,117</b>	11,035,880
Less current portion	<u>216,147</u>	<u>204,278</u>
	<b><u>\$ 11,317,970</u></b>	<b><u>\$10,831,602</u></b>

Surplus cash for the purposes of these disclosures is as defined in the respective loan agreements.

Principal maturities of the above notes over the next five years and thereafter are as follows:

2018	\$ 216,147
2019	702,744
2020	205,460
2021	207,834
2022	192,828
Thereafter	<u>10,009,104</u>
	<b><u>\$11,534,117</u></b>

Cash paid for interest approximates interest expense.

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

**6. Temporarily Restricted Net Assets**

Temporarily restricted net assets are restricted for the following purposes:

	<u>2017</u>	<u>2016</u>
The Family Place - services	\$ -	\$ 4,858
Scholarships	10,264	12,264
VISTA program	57,351	58,093
Housing programs	-	10,492
Direct care for clients	109,749	169,494
Community Gardens	-	42,771
Hope House	241,761	-
Family Willows Recovery Housing Program	299,797	-
New Horizons for New Hampshire merger (Note 11)	98,500	-
Grant receivable - time restricted	<u>80,000</u>	<u>117,000</u>
	<u>\$ 897,422</u>	<u>\$ 414,972</u>

**7. Commitments**

Under the terms of the Limited Partnerships' Regulatory Agreements with NHHFA, each Limited Partnership is required to make deposits to various escrow accounts to fund expected future costs.

Each Limited Partnership has entered into a Land Use Restriction Agreement with NHHFA, as a condition of the allocation of low-income housing tax credits by NHHFA. Pursuant to the covenant, the Limited Partnerships are required to remain in compliance with Code Section 42 for the compliance period and an extended use period, unless terminated sooner.

**8. Retirement Plan**

The Organization has a tax deferred retirement plan which is available to all employees working greater than 25 hours a week. All employees are eligible to participate and are fully vested with the first contribution. The Organization matches contributions at 100% up to 3% of compensation. The Organization contributed \$49,814 and \$34,176 during the years ended December 31, 2017 and 2016, respectively.

**9. Housing Action New Hampshire**

In 2011, the Organization entered into a Fiscal Sponsorship Agreement with Housing Action New Hampshire (HANH), an unincorporated association. Authority to manage the programmatic activities of HANH is vested solely in HANH. The Organization maintains the books and financial records for HANH in accordance with U.S. GAAP. HANH funds are presented in the Organization's consolidated statement of financial position as funds held as fiscal agent. Effective January 1, 2018, the Fiscal Sponsorship Agreement terminated and the Organization no longer maintains the books and financial records for HANH.

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

**10. Noncontrolling Interest**

Noncontrolling interest, as shown in the consolidated statement of financial position, represents investments by limited partners in the Limited Partnerships as follows as of December 31:

<u>Limited Partner</u>	<u>Property</u>	<u>2017</u>	<u>2016</u>
Community Capital 2000 New Hampshire Housing Equity Fund, Inc.	Millyard II	\$ -	\$ 848,610
JP Morgan Chase	Bicentennial	213,660	263,968
BCCC, Inc.	Bicentennial	213,791	264,089
Boston Capital Corporate	Family Bridge	10	10
BCCC, Inc.	Family Bridge	1,135,777	1,320,087
Boston Capital Midway	Family Willows	10	10
	Family Willows	<u>2,002,230</u>	<u>2,111,337</u>
		<u>\$ 3,565,478</u>	<u>\$ 4,808,111</u>

**11. Subsequent Events**

For purposes of the preparation of these consolidated financial statements in conformity with U.S. GAAP, the Organization has considered transactions or events occurring through March 30, 2018, which was the date the consolidated financial statements were available to be issued. Management has not evaluated subsequent events after that date for inclusion in the consolidated financial statements.

**FIT and New Horizons for New Hampshire (NHNH) Merger**

Since 1973, NHNH has worked to assist low income persons providing an adult emergency shelter, a soup kitchen; a women's shelter and food pantry to address the social issues facing the Manchester, New Hampshire community. On October 18, 2017 it was announced, that effective January 1, 2018, FIT and NHNH will merge to create an integrated system of care that will provide an increased supply of affordable housing for those most in need, sustain positive outcomes through the incorporation of evidence based practices proven to meet identified needs and goals, identify areas for systemic and programmatic improvements through the use of consistent and accurate data to regularly measure success, and provide an integrated system of care that will prevent homelessness when possible and rapidly rehouse those who become homeless, including both the chronically homeless and families with children. As a result, NHNH assets of approximately \$3,000,000 and liabilities of approximately \$200,000 will be included in FIT's consolidated financial statements beginning in 2018.

## FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

#### Serenity Place Receivership

On December 20, 2017, the Director of Charitable Trusts, under the supervision of the Attorney General for the State of New Hampshire, appointed FIT as Receiver of Serenity Place, a New Hampshire based nonprofit organization that was no longer, financially or organizationally, able to meet the demands placed upon its services. The Receivership afforded FIT the ability to provide Serenity Place with management to maintain its operations while planning for the future provision of its substance use services. As of January 31, 2018, Serenity Places' substance use services had either been terminated or moved to other substance use service providers with the exception of one program that is to remain under Serenity Place control until the second quarter of 2018 at which time the program is expected to be relocated to another substance use service provider. Two of the substance use programs were absorbed by FIT to continue to provide substance use services to those individuals in need. FIT's assigned Receivership is expected to end with the relocation of Serenity Place's final program and the filing of Chapter 7 bankruptcy protection.

**Families in Transition/New Horizons New Hampshire  
Board of Directors**

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**Board of Directors**

**Dick Anagnost, Co -Chairperson**  
*President, Anagnost Companies*  
Board member since 2018

**David Cassidy, Co-Chairperson**  
*Senior Vice President, Eastern Bank*  
Board member since 2018

**Charla Bizios Stevens, Vice Chairperson**  
*Director, Litigation Department and Chair of Employment Law Practice Group  
McLane Middleton, Professional Association Esquire*  
Board member since 2018

**Robert Bartley, Treasurer**  
*President, CPA, CFP, Bartley Financial Advisor*  
Board member since 2018

**Frank Saglio, Asst. Treasurer**  
*Howe, Riley and Howe*  
Board member since 2018

**Kristi Scarpone, Secretary**  
*Corporate and Foundation Relations, First Robotics*  
Board member since 2018

**Roy Tilsley, At Large**  
*Bernstein Shur*  
Board member since 2018

**Colleen Cone, At Large**  
*Sr. Director Employee Relations Greater Boston Area, Comcast*  
Board member since 2018

**Alison Hutcheson**  
*Manager of Sales, Merchants Fleet Management*  
Board member since 2018

**Mary Ann Aldrich**

*Clinical Director of Community Health, Dartmouth-Hitchcock Manchester*  
Board member since 2018

**Helen Davies**

*Director of Community Relations, Southern New Hampshire University*  
Board member since 2018

**Scott W. Ellison**

*Partner, COOK, LITTLE, ROSENBLATT & MANSON, pllc*  
Board member since 2018

**AnnMarie French**

*Communications Manager, NH Fiscal Policy Institute*  
Board member since 2018

**Brian Hansen**

*Team Engineering*  
Board member since 2018

**Sarah Jacobs**

*University of New Hampshire at Manchester*  
Board member since 2018

**Peter Kachavos**

*No affiliation*  
Board member since 2018

**Tony Matos**

*CEO, Altos*  
Board member since 2018

**Brian Mikol**

*Spectrum Marketing*  
Board member since 2018

**Ryan Mulholland**

*Westbridge*  
Board member since 2018

**Wayne McCormick, CFP**

*Steward Partners Managing Director Wealth Manager*  
Board member since 2018

**Jack Olson**

*Texas Instruments*  
Board member since 2018

**Kitten Stearns**

*Realtor, Coldwell Banker Residential Brokerage*

Board member since 2018

**Peter Telge**

*Owner, Stark Brewing Company*

Board member since 2018

**Heather Whitfield**

*Vice President, Commercial Lending, People's United Bank*

Board member since 2018

# Meghan E. Shea, LICSW, MLADC

## OBJECTIVE

Continue to utilize and expand the clinical and management skills have I attained from my professional and academic training to secure a position in a nonprofit setting.

## EDUCATION / LICENSURE

<b>Master – Licensed Alcohol and Drug Counselor</b>	<b>September 2010- Present</b>
<b>Licensed Independent Clinical Social Worker</b>	<b>October 22, 2012-Present</b>
<b>Master of Social Work, University of New Hampshire</b>	<b>May 2010</b>
▪ Graduated with an MSW from the Advanced Standing Program	
<b>Bachelor of Art, Social Work, University of New Hampshire</b>	<b>May 2006</b>
▪ Graduated with an BSW with GPA of 3.41	

## EMPLOYMENT

### **Vice President, Clinical & Supportive Services**

#### **Families in Transition-New Horizons**

**December 20<sup>th</sup>, 2017 – present**

- Receivership-Interim Executive Director of Serenity Place
- Oversees all clinical and supportive services at Families in Transition-New Horizons including emergency shelter, transitional and permanent supportive housing, Intensive Outpatient Services, Outpatient services, Recovery Housing and programming.
- Quality of control of healthcare facilities licensure.
- Oversight of fidelity of evidence based practices and models.
- Oversight of staff competencies and required trainings for best practices across the agency.
- Supervision of agency program managers and housing director.
- Provide clinical supervisor for licensure and certifications.
- Quality control of all billing policies and procedures.

#### **Clinical Director**

##### **Families in Transition**

**Sept 1<sup>st</sup>, 2016- December 2017**

- Oversee and manage Sr. Housing Program Manager who supervises the supportive services department with up to 25 staff providing housing (emergency, transitional and permanent) and supportive services with capacity to serve 200 homeless individual and families. Supportive services encompass individual case management, therapy, psycho-educational workshops, pro-social family activities and crisis intervention.
- Oversee the Family Willows Program Manager who supervises 11 clinical staff who conduct co-occurring treatment to women only
- Develop and staff Recovery Housing program and implementation of newest housing and supportive service programming
- Develop and oversight Open Doors outpatient programming for all transitional housing programs of FIT
- Ensure quality programming across Families in Transitions clinical department
- Provide training within the organization and community on substance misuse in NH.
- Administer all program policies and procedure for Families In Transition's various Supportive Service
- Oversight of billing components of all levels of Co-occurring treatment.

#### **Therapist**

**January 2014- Present**

##### **Bedford Family Therapy**

- Treat a caseload of 15 clients in a private outpatient group practice



- Utilize various evidence based practices CBT,DBT, and Seeking Safety skills to help clients meet their own individual goals
- Conduct Drug and Alcohol assessments
- Active participant in DWI Offender Program providing mandated outpatient session for individuals coming from the Impaired Drivers Program
- Participate in weekly supervision with other licensed clinicians part of the private group practice.

**Clinical & Supportive Service Manager**

**March 7<sup>th</sup>, 2016- August 31<sup>st</sup>,2016**

**Families In Transition**

- Manage the day to day operations for the Family Willows Substance Use Program including six staff members
- Manage the day to day operations for the Housing program of Families in Transition consisting of over 200 apartment units in New Hampshire.
- Provide clinical and administrative supervision for a total of 14 staff for Families In Transition
- Ensure compliance with budgetary and financial goals.
- Maintain compliance with State, Federal, Accreditation, Contract and Insurance regulations.
- Administer all program policies and procedure for Families In Transition's various Clinical Programs.

**Program Manager of the Family Willow Substance Use Treatment Program September 2014-2016**

**Families In Transition**

- Manage the day to day operations for the Family Willows Substance Use Program including six staff members
- Transitioned the program from grant funded to billing all commercial insurances
- Increased accessibility of treatment from 86 clients in 2013 to 250 in 2016.
- Provided clinical and administrative oversight of the FW Substance Use Treatment Program
- Carried a caseload of 12-15 individual clients providing co-occurring evidence base therapeutic interventions.
- Facilitated Intensive Outpatient treatment in a group setting on a weekly basis to group of 12 women.
- Provided training and education to staff on clinical intervention and best practices in the group setting.

**Therapist**

**May 2010- September 2014**

**Families In Transition**

- Facilitated Intensive Outpatient Programming in a group setting daily for up to 12 clients
- Carried a caseload of up to 15 people for individual therapy.
- Provided crisis services for the hotline of Families In Transition
- Conducted Substance Use Disorder Assessments for incoming clients
- Produced treatment plans, progress notes and supporting documentation in a timely manner
- Helped implement new curriculum changes in the treatment programming

**MSW Intern**

**May 2009 to May 2010**

**Bedford Counseling – Mental Health Center of Greater Manchester**

- Conducted intake interviews for new, adult clients and develop comprehensive psycho-social assessments to include diagnosis and substance use assessments
- Provided psychotherapeutic intervention services to twenty-two individuals using brief treatment and cognitive behavioral interventions
- Attended therapeutic workshops pertaining to dual-diagnosis, behavioral health and client driven treatment planning

**Case Manager**

**June 2006- May 2010**

**Families In Transition**

- Provided in home case management services to 30 individuals and families to enhance housing stability among the homeless population.
- Provided crisis hotline coverage for all clinical programming of Families In Transition
- Conducted program interviews for the community support program
- Maintained all files with updated documentation, clear and concise progress notes and treatment plans
- Facilitated workshops to help enhance overall wellness to participants of the program
- Collaborated with community partners to increase referral resources

**PROFESSIONAL MEMBERSHIPS**

**Providers Association Board of Directors-Vice President of Treatment July 2014 to Present**

**NH Alcohol & Drug Abuse Counselors Association January 2012 to Present**

**Member of the Manchester Substance Use Collaborative March 2012 to Present**

**PRESENTATIONS**

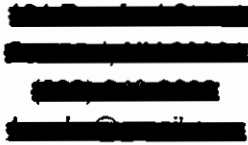
**NH Association for infant mental health workshop Helping Parents Be Parents:  
Addressing Substance Use and Trauma in a Family System- Loon Mountain June 2015**

**Providers Association: Addressing Substance Misuse in the Home Environment March 31<sup>st</sup>,2016 at  
Wentworth Douglas Hospital in Dover, NH**

REFERENCES - AVAILABLE UPON REQUEST



## KELLY PAQUETTE



### PROFESSIONAL PROFILE

**Motivated, personable professional** with a successful track record of developing, managing and directing programs and services. Diplomatic and tactful with professionals and nonprofessionals at all levels. Accustomed to handling sensitive, confidential information. Demonstrated history of producing accurate, timely reports meeting stringent state and federal guidelines.

**Flexible and versatile -- able to maintain a sense of humor under pressure.** Poised and competent with demonstrated ability to easily transcend cultural differences. Thrive in deadline-driven environments. Excellent team-building skills.

### SKILLS SUMMARY

- Results-driven achiever with exemplary planning and organizational skills, along with a high degree of detail orientation.
- Innovative problem-solver who can generate workable solutions and implement effective solutions.
- Resourceful team player who excels at building trusting relationships with customers and colleagues.
- Collaborative team member who can effectively manage and communicate with multiple management and employee levels.
- Flexible team player who thrives in environments requiring ability to effectively prioritize and juggle multiple concurrent projects.
- Goal-driven leader who maintains a productive climate and confidently motivates, mobilizes, and coaches employees to meet high performance standards.

### PROFESSIONAL EXPERIENCE

#### Communication

- Prepare complex reports for internal and external partners, ensuring full compliance with agency, state and federal requirements and tight deadlines.
- Develop new services to meet customer needs, regional resource needs and improvement in service quality.
- Expand and maintain positive partnerships with the business community and current and potential program funders.
- Coordinate services with internal and external partners, service providers and community organizations.

### **Financial Management**

- Contribute to budgeting process by planning, implementing and meeting or exceeding annual financial goals.
- Produces accurate and timely reports, billing and other documentation.
- Contributes in policy creation and implementation with funders and internal partners for multiple programs.
- Review federal guidance related to grant funded workforce programs and summarizes it, analyzes it and disseminates it to other interested parties.

### **Detail Mastery & Organization**

- Manage all aspects of day-to-day operations of multiple programs.
- Manage facility logistics/maintenance of building.
- Compliance with all safety requirement.

### **EMPLOYMENT HISTORY**

**GOODWILL INDUSTRIES OF NORTHERN NEW ENGLAND - Concord, NH**  
**Senior Program Manager/Community Outreach Coordinator, 2010- Present**

**EVERYDAY ERRANDS - Concord, NH**  
**Owner/Operator, 2008-2010**

**NEW HAMPSHIRE WOMEN'S POLICY INSTITUTE - Concord, NH**  
**WOMEN'S FUND OF NEW HAMPSHIRE - Concord, NH**  
**LEADERSHIP NEW HAMPSHIRE- Concord, NH**  
**Office Manager/Program Assistant, 2008-2010**

**ORR & RENO, PA - Concord, NH**  
**Legal Assistant/Paralegal, 2000-2002**

**NELSON, KINDER, MOSSEAU & SATURLEY - Manchester, NH**  
**Legal Assistant, 1998-2000**

### **EDUCATION**

**FRANKLIN PIERCE COLLEGE – Concord, NH**  
**Certificate in Paralegal Studies, 1999**

**FRANKLIN PIERCE COLLEGE – Concord, NH**  
**B.S., Business Management, 1993**

### **COMPUTER SKILLS**

Strong computer skills with proficiency in Outlook, Word, Excel, PowerPoint.

CONTRACTOR NAME

Key Personnel

Concord Pflr

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Maureen Beauregard	President	149,200	0%	-
Meghan Shea	VP of Clinical Services	76,280	15%	11,442
Kelly Paquette	Program Manager	59,740	15%	8,961

Subject: Continuum of Care, Permanent Housing II, SS-2019-BHHS-03-Perma-16

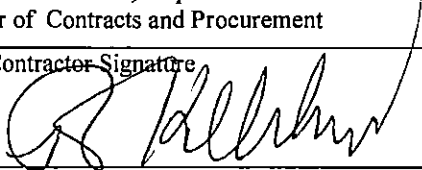
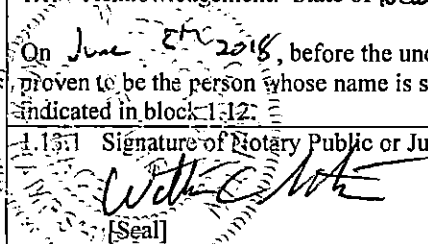
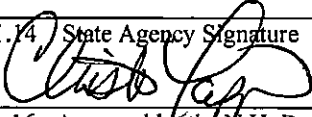
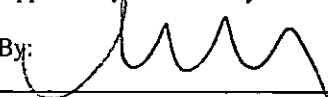
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Harbor Homes, Inc.		1.4 Contractor Address 77 Northeastern Blvd. Nashua NH 03062	
1.5 Contractor Phone Number 603.882.3616	1.6 Account Number 05-95-42-423010-7927-102-500731	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$208,677
1.9 Contracting Officer for State Agency E. Maria Reinemann, Esq. Director of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9330	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Peter Kelleher President & CEO	
1.13 Acknowledgement: State of <i>New Hampshire</i> , County of <i>Hillsborough</i> On <i>June 27th 2018</i> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace 			
1.13.2 Name and Title of Notary or Justice of the Peace <b>WILLIAM C. MARTIN</b> Justice of the Peace - New Hampshire My Commission Expires November 4, 2020			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Date: <i>6/7/18</i> <i>Christie Tappan, Associate Commissioner</i>	
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: <i>Megan A. Yaguez - Attorney 6/7/18</i>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

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

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

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, 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.



Exhibit A

**SCOPE OF SERVICES**

**Permanent Housing Program**

**1. Provisions Applicable to All Services**

- 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.2. 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, through the Bureau of Housing Supports, has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. The Contractor shall submit a detailed description of the language assistance services they will provided to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date; submitted to:  
  
NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301
- 1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

**2. Scope of Services**

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) CoC Program, the Contractor shall provide a Permanent Housing, Permanent Supportive Housing or Rapid Re-Housing project which includes, but is not limited to:
  - 2.1.1. Utilization of the "Housing First" model, which shall at a minimum, not impose barriers to entering housing, beyond those required by regulation or statute, and will only terminate project participation for the most severe reasons once available options have been exhausted to help a participant maintain housing.  
  
"Housing First" details can be accessed at:  
<https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf>
  - 2.1.2. The development of a stabilization plan and crisis management plan with the participant, at intake and, at a minimum, annually. An ongoing Assessment of Housing and Supportive Services is required, with the ultimate goal being assistance to the participant in obtaining the skills necessary to live in the community independently.
  - 2.1.3. The CoC Program interim rule, 24 CFR Part 578, requires that all CoCs implement a Coordinated Entry System (CES) in collaboration with any projects funded by the CoC Program, ESG Program, and HOPWA Program.  
  
24 CFR Part 578 can be accessed at:  
<https://www.hudexchange.info/resources/documents/CoCProgramInterimRuleFormattedVersion.pdf>



Exhibit A

- 2.1.4. The subrecipient is required to comply with applicable civil rights laws, per CFR Section 578.93, addressing nondiscrimination and equal opportunity requirements. Section 578.93(a) states that the nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105 (a) apply. This includes, but is not limited to, the Fair Housing Act, Title VI of Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 (Section 504), and title II of the Americans with Disabilities Act.
- 2.1.5. The subrecipient must establish and maintain standard operating procedures for ensuring that CoC program funds are used in accordance with the requirements of 24 CFR 578 and must establish and maintain sufficient records to enable HUD and BHS to determine whether the subrecipient is meeting the requirements, including:
  - 2.1.5.1. Continuum of Care records: Each collaborative applicant must keep the following documentation related to establishing and operating a CoC;
  - 2.1.5.2. Evidence that the Board selected by the Continuum of Care meets the requirements of § 578.5(b);
  - 2.1.5.3. Evidence that the Continuum has been established and operated as set forth in subpart B of this part, including published agendas and meeting minutes, an approved Governance Charter that is reviewed and updated annually, a written process for selecting a board that is reviewed and updated at least once every five (5) years, evidence required for designating a single Homeless Management Information System (HMIS) for the Continuum, and monitoring reports of recipients and subrecipients; and
  - 2.1.5.4. Evidence that the Continuum has prepared the application for funds as set forth in § 578.9, including the designation of the eligible applicant to be the collaborative applicant.
- 2.2. Unified funding agency records (UFAs) that requested grant amendments from HUD, as set forth in § 578.105, must keep evidence that the grant amendment was approved by the Continuum. This evidence may include minutes of meetings at which the grant amendment was discussed and approved.
- 2.3. Homeless status. Acceptable evidence of homeless status is set forth in 24 CFR 576.500(b).
- 2.4. At risk of homelessness status. For those recipients and subrecipients that serve persons at risk of homelessness, the recipient or subrecipient must keep records that establish "at risk of homelessness" status of each individual or family who receives CoC homelessness prevention assistance. Acceptable evidence is found in 24 CFR 576.500(c).
- 2.5. Records of reasonable belief of imminent threat of harm. For each program participant who moved to a different CoC due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking under § 578.51(c)(3), each recipient or subrecipient of assistance under this part must retain:
  - 2.5.1. Documentation of the original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file. This may be written observation of the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; court records or law enforcement records; or written certification by the program participant to whom the violence occurred or by the head of household.
  - 2.5.2. Documentation of the reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking, which would include threats from a third-party, such as a friend or family member of the perpetrator of the violence. This may be written observation



Exhibit A

- by the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.
- 2.6. Annual income. For each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, the recipient or subrecipient must keep the following documentation of annual income:
    - 2.6.1. Income evaluation form specified by HUD and completed by the recipient or subrecipient; and
    - 2.6.2. Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement) for the assets held by the program participant and income received before the date of the evaluation;
    - 2.6.3. To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period; or
    - 2.6.4. To the extent that source documents and third-party verification are unobtainable, the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the three (3) month period following the evaluation.
  - 2.7. Program participant records. In addition to evidence of homelessness status or at-risk-of-homelessness status, as applicable, the recipient or subrecipient must keep records for each program participant that document:
    - 2.7.1. The services and assistance provided to that program participant, including evidence that the recipient or Subrecipient has conducted an annual assessment of services for those program participants that remain in the program for more than a year and adjusted the service package accordingly, and including case management services as provided in § 578.37(a)(1)(ii)(F); and
    - 2.7.2. Where applicable, compliance with the termination of assistance requirement in § 578.91.
  - 2.8. Housing standards. The recipient or subrecipient must retain documentation of compliance with the housing standards in § 578.75(b), including inspection reports.
  - 2.9. Services provided. The recipient or subrecipient must document the types of supportive services provided under the recipient's program and the amounts spent on those services. The recipient or subrecipient must keep record that these records were reviewed at least annually and that the service package offered to program participants was adjusted as necessary.
  - 2.10. Match. The recipient must keep records of the source and use of contributions made to satisfy the match requirement in § 578.73. The records must indicate the grant and fiscal year for which each matching contribution is counted. The records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.
  - 2.11. Conflicts of interest. The recipient and its subrecipients must keep records to show compliance with the organizational conflict-of-interest requirements in § 578.95(c), the Continuum of Care board conflict-of-interest requirements in § 578.95(b), the other conflict requirements in §



Exhibit A

- 578.95(d), a copy of the personal conflict-of-interest policy developed and implemented to comply with the requirements in § 578.95, and records supporting exceptions to the personal conflict-of-interest prohibitions.
- 2.12. Homeless participation. The recipient or subrecipient must document its compliance with the homeless participation requirements under § 578.75(g).
  - 2.13. Faith-based activities. The recipient and its subrecipients must document their compliance with the faith-based activities requirements under § 578.87(b).
  - 2.14. Affirmatively Furthering Fair Housing. Recipients and subrecipients must maintain copies of their marketing, outreach, and other materials used to inform eligible persons of the program to document compliance with the requirements in § 578.93(c).
  - 2.15. Other federal requirements. The recipient and its subrecipients must document their compliance with the federal requirements in § 578.99, as applicable.
  - 2.16. Subrecipients and contractors.
    - 2.16.1. The recipient must retain copies of all solicitations of and agreements with subrecipients, records of all payment requests by and dates of payments made to subrecipients, and documentation of all monitoring and sanctions of subrecipients, as applicable.
    - 2.16.2. The recipient must retain documentation of monitoring subrecipients, including any monitoring findings and corrective actions required.
    - 2.16.3. The recipient and its subrecipients must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR part 84.
  - 2.17. Other records specified by HUD. The recipient and subrecipients must keep other records specified by HUD.
  - 2.18. Confidentiality. In addition to meeting the specific confidentiality and security requirements for HMIS data, the recipient and its subrecipients must develop and implement written procedures to ensure:
    - 2.18.1. All records containing protected identifying information of any individual or family who applies for and/or receives Continuum of Care assistance will be kept secure and confidential;
    - 2.18.2. The address or location of any family violence project assisted with Continuum of Care funds will not be made public, except with written authorization of the person responsible for the operation of the project; and
    - 2.18.3. The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with State and local laws regarding privacy and obligations of confidentiality;
  - 2.19. Period of record retention. All records pertaining to Continuum of Care funds must be retained for the greater of five (5) years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.
    - 2.19.1. Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for five (5) years after the expenditure of all funds from the grant under which the program participant was served; and
    - 2.19.2. Where Continuum of Care funds are used for the acquisition, new construction, or rehabilitation of a project site, records must be retained until fifteen (15) years after the date that the project site is first occupied, or used, by program participants.



2.20. Access to records.

2.20.1. Federal Government rights. Notwithstanding the confidentiality procedures established under paragraph (2.18.) of this section, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the recipient and its subrecipients that are pertinent to the Continuum of Care grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period, but last as long as the records are retained.

2.20.2. Public rights. The recipient must provide citizens, public agencies, and other interested parties with reasonable access to records regarding any uses of Continuum of Care funds the recipient received during the preceding five (5) years, consistent with State and local laws regarding privacy and obligations of confidentiality and confidentiality requirements in this part.

2.21. Based on the continued receipt/availability of federal funds from HUD COC Program Competition Funding, over the grant period, the Contractor shall provide a permanent housing program that is targeted to serve eighteen (18) homeless individuals and families.

2.22. The Contractor shall support the primary goal of this program which is to facilitate the movement of homeless and chronically homeless individuals and families to permanent housing and maximum self-sufficiency.

2.23. The Contractor shall maintain adherence to federal and state financial and confidentiality laws, and agrees to comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the 2017 NOFA Project Application approved by HUD.

2.24. The Contractor shall provide services according to HUD regulations as outlined in Public Law 102-550 and 24 CFR Part 578: Continuum of Care Program and other written HUD policies and directives as appropriate.

Public Law 102-550 can be accessed at:

<https://www.congress.gov/public-laws/102nd-congress>

The Electronic Code of Federal Regulations can be accessed at:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=2bfae50cb70b6febaa82e6a7c0cf6b6b&mc=true&node=pt24.3.578&rqn=div5>

3. Program Reporting Requirements

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the subrecipient is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.3 Exhibit A; and

3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.

NH HMIS policy can be accessed at:

<http://www.nh-hmis.org>

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is



Exhibit A

required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.

- 3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by BHS.
- 3.4. The Contractor shall cooperate fully with and answer all questions of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.

**4. Contract Administration**

- 4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with Contractor performance.
- 4.3. The Contractor shall inform BHS of any staffing changes within thirty (30) days of the change.
- 4.4. Contract records shall be retained for a period of five (5) years or as required by state or federal law, following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and BHS.

Contractor Initials PK  
Date 6/5/18



Exhibit B

**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**1. Permanent Housing Program**

1.1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement pursuant to Exhibit A, Scope of Services, the State agrees to pay the Contractor an amount not to exceed Form P-37, Block 1.8, Price Limitation and for the time period specified below.

1.1.1. This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund: 0%  
Federal Funds: 100%  
CFDA #: 14.267  
Grant Number: NH0043L1T021710  
Federal Agency: U.S. Department of Housing & Urban Development (HUD)  
Program Title: Continuum of Care, Permanent Housing Program

Total Amount Continuum of Care;

July 1, 2018 – June 30, 2019: not to exceed \$208,677

Funds allocation under this agreement for Continuum of Care Program;

Administrative Expenses: \$4,650  
Leasing Expenses: \$129,831  
Operating Expenses: \$1,044  
Rental Assistance: \$0  
Supportive Services: \$73,152  
Total program amount: \$208,677

1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

**2. Reports**

2.1. As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

2.1.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with 2 CFR part 200 which can be accessed at:

[https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State at the following address:

NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301





**Exhibit B**

2.2. Where the Contractor is not subject to the requirements of 2 CFR part 200, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

**3. Project Costs: Payment Schedule; Review by the State**

3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of 2 CFR part 200.

3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 578.87(c).

3.3. The subrecipient must match all grant funds, except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources. Cash match must be used for the cost of activities that are eligible under subpart D of 24 CFR 578.

3.4. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578, and in compliance with the budget detail and narrative, as outlined in the 2017 NOFA Project Application approved by HUD, the State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of P.L. 102-550 and other applicable regulations.

3.4.1. Payment of Project Costs shall be made through the utilization of funds as provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount and time period not to exceed as specified above in section 1.1.1. Exhibit B.

3.4.2. Authorized expenses shall be those expenses as detailed in Exhibit B-1, Budget.

3.5. Schedule of Payments: Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor agrees to keep records of their activities related to Department programs and services, and shall provide additional financial information if requested by the State to verify expenses. Invoices shall be submitted promptly to the address listed above in section 2.1.1. Exhibit B.

3.6. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all



**Exhibit B**

payments made to date. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture.

- 3.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.

**4. Use Of Grant Funds**

- 4.1. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.
- 4.2. Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

**5. Expense Eligibility**

- 5.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize Continuum of Care Program agreement value specified in Exhibit B of this agreement from the HUD Continuum of Care Program, for contract services.

**5.1.1. Operating Expenses**

- 5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.
- 5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

**5.1.2. Supportive Services**

- 5.1.2.1. Eligible supportive services costs must comply with all HUD regulations in 24 CFR 578.53. Eligible services are available to those individuals actively participating in the permanent housing program.
- 5.1.2.2. Eligible costs include:
- 5.1.2.3. mental health services;
- 5.1.2.4. case management services;
- 5.1.2.5. salaries of Contractor staff providing supportive services;
- 5.1.2.6. reasonable one-time moving costs (truck rental and hiring a moving company);
- 5.1.2.7. child-care costs for establishing and operating child care;

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6/15/18



**Exhibit B**

- 5.1.2.8. providing child-care vouchers for children from families experiencing homelessness (including meals, snacks, comprehensive and coordinated developmental activities);
  - 5.1.2.9. education services;
  - 5.1.2.10. employment assistance and job training skills;
  - 5.1.2.11. housing search and counseling services;
  - 5.1.2.12. legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing);
  - 5.1.2.13. outpatient health services; and
  - 5.1.2.14. transportation services and utility deposits.
  - 5.1.2.15. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.
- 5.1.3. Rental Assistance
- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
  - 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
  - 5.1.3.3. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
  - 5.1.3.4. Rental assistance will only be provided for a unit if the rent is reasonable. The Contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.
  - 5.1.3.5. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits.
  - 5.1.3.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
  - 5.1.3.7. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
  - 5.1.3.8. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require

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Exhibit B

program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid Re-Housing program component must be tenant based rental assistance.

- 5.1.3.9. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.1.3.10. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.1.3.11. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.

5.1.4. Administrative Costs

5.1.4.1. Administrative costs include:

5.1.4.2. preparing program budgets;

5.1.4.3. schedules and amendments;

5.1.4.4. developing systems for assuring compliance with program requirements;

5.1.4.5. developing interagency agreements and agreements with subrecipients and Contractors to carry out program activities;

5.1.4.6. preparing reports and other documents related to the program for submission to HUD;

5.1.4.7. evaluating program results against stated objectives;

5.1.4.8. travel costs incurred for official business in carrying out the program;

5.1.4.9. administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services) and;

5.1.4.10. other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).

5.1.5. Leasing: Leasing may include leasing one structure or leasing units scattered throughout a community.

5.1.5.1. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Contractor.

5.1.5.2. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.

5.1.5.3. The Contractor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.

5.1.5.4. Property damages may only be paid from money paid to landlord for security deposits.

5.1.5.5. The Contractor cannot lease a building that it already owns to itself.

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**Exhibit B**

5.1.5.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.

5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).

5.2.1. The Contractor must match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.

5.2.2. Match requirements are to be documented with each payment request.

5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 5. Expense Eligibility, Exhibit B. The Contractor must have written approval from the State prior to billing for any other expenses.

5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.

5.5. The Contractor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.

**6. Contractor Financial Management System**

6.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.

6.2. The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3, Project Costs: Payment Schedule; Review by the State, of this Agreement.

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6/5/18

Bureau of Homeless & Housing Services  
 Supportive Housing Program  
 Payment request Form  
 2017 NOFA

**For BHHS use only**  
**Vendor # 155358 - B001**  
**Contract # Line #1**  
**Invoice: HHPHII**  
**Descript: NH0043L1T021710**  
**Account: 010-042-7927-102-500731**  
**Add Activities**  
**Amount \$**  
**Job #**  
**Amount \$**  
**Job #**  
**Amount \$**  
**Job #**  
**Amount \$**  
**Job #**

Authorizing Signature(s)

**For BHHS use only**

Amount	Staff initials	Date
	KS	
Amy O'Hara, Financial Manager		
		Date

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
Activity Name	Activity Budget	SHP Payments Received	Matching Funds Applied	Budgeted Balance Available	Requested This Invoice	Match Applied This Invoice	New Available Balance
Leasing Award	\$129,831.00			\$129,831.00			\$129,831.00
Operations Award	\$ 1,044.00			\$ 1,044.00			\$ 1,044.00
Supportive Services Award	\$ 73,152.00			\$ 73,152.00			\$ 73,152.00
Administration Award	\$ 4,650.00			\$ 4,650.00			\$ 4,650.00
25% Required Match	\$ 20,874.00			\$ 20,874.00			\$ 20,874.00
<b>Project Totals HUD Funds</b>	<b>\$208,677.00</b>	<b>\$ -</b>		<b>\$208,677.00</b>			<b>\$208,677.00</b>
PLEASE PAY THIS AMOUNT							\$0.00



**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.



New Hampshire Department of Health and Human Services  
Exhibit C



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 (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) 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



- 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.



**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.



**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



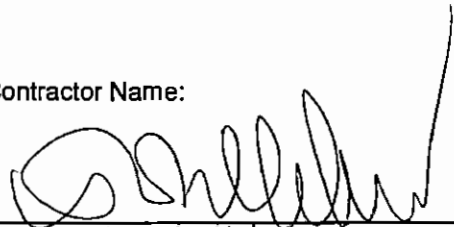
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
    - 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.

6/5/18  
Date

Contractor Name:

  
Name: Peter Kelleher  
Title: President & CEO



**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-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name:

Name: Peter Kelleher  
Title: President & CEO

6/5/18  
Date



**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**

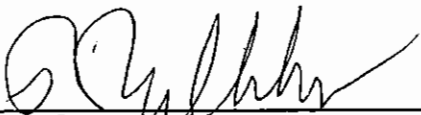
- 11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;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

Contractor Name:

6/5/18  
Date

  
Name: Peter Kelleher  
Title: President & CEO



**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

Contractor Initials

Handwritten initials "PK" in black ink, written over a horizontal line.

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

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.

6/5/18  
Date

Contractor Name:

A handwritten signature in black ink, appearing to read "Peter Kelleher", written over a horizontal line.

Name: Peter Kelleher  
Title: President & CEO

Exhibit G

Contractor Initials PK

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



**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.

6/5/18  
Date

Contractor Name:

Name: Peter Kelleher  
Title: President & CEO



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.



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

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

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

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

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

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



Exhibit I

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business





Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

**(6) Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



Exhibit I

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

Department of Health and Human Services

The State

*[Handwritten Signature]*

Signature of Authorized Representative

Christie Tappan

Name of Authorized Representative

Associate Commissioner

Title of Authorized Representative

Date

6/7/18

Harbor Homes, Inc

Name of the Contractor

*[Handwritten Signature]*

Signature of Authorized Representative

Peter Kelleher

Name of Authorized Representative

President & CEO

Title of Authorized Representative

Date

6/5/18

*[Handwritten Initials]*



**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.

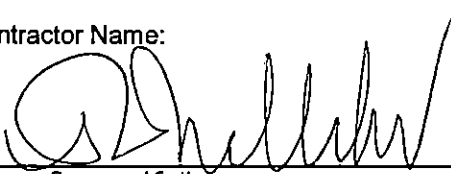
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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.

6/5/18  
Date

Contractor Name:

  
Name: Peter Kelleher  
Title: President & CEO

New Hampshire Department of Health and Human Services  
Exhibit J



FORM A

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

1. The DUNS number for your entity is: 13-186 4357
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: _____

# New Hampshire Department of Health and Human Services

## Exhibit K

### DHHS Information Security Requirements



#### A. Definitions

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

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

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

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



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

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

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

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

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

*OK*

6/5/18



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

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

## II. METHODS OF SECURE TRANSMISSION OF DATA

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

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

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

### III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

#### A. Retention

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

*[Handwritten Signature]*





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

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

**B. Disposition**

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

**IV. PROCEDURES FOR SECURITY**

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

# New Hampshire Department of Health and Human Services

## Exhibit K

### DHHS Information Security Requirements



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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.



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

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

#### V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

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

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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

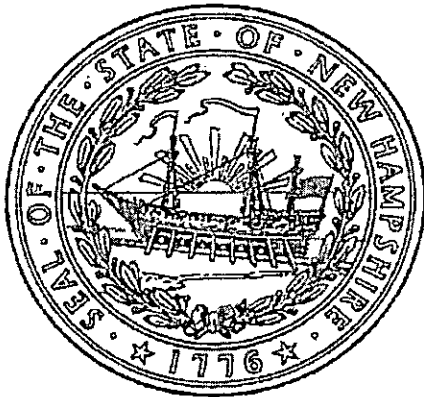
DHHSPrivacy.Officer@dhhs.nh.gov

**State of New Hampshire**  
**Department of State**

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that HARBOR HOMES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on February 15, 1980. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 62778



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. 2017.

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

William M. Gardner  
Secretary of State

## Business Information

### Business Details

---

Business Name:	HARBOR HOMES, INC.	Business ID:	62778
Business Type:	Domestic Nonprofit Corporation	Business Status:	Good Standing
Business Creation Date:	02/15/1980	Name in State of Incorporation:	Not Available
Date of Formation in Jurisdiction:	02/15/1980		
Principal Office Address:	45 High Street, Nashua, NH, 03060, USA	Mailing Address:	NONE
Citizenship / State of Incorporation:	Domestic/New Hampshire		
		Last Nonprofit Report Year:	2015
		Next Report Year:	2020
Duration:	Perpetual		
Business Email:	NONE	Phone #:	603-882-3616
Notification Email:	NONE	Fiscal Year End Date:	NONE

---

### Principal Purpose

S.No	NAICS Code	NAICS Subcode
------	------------	---------------

No records to view.

---

### Registered Agent Information

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Name:	Not Available
Registered Office Address:	Not Available
Registered Mailing Address:	Not Available

---

**CERTIFICATE OF VOTE**

1. David Aponovich, Asst. Treasurer, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Harbor Homes, 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 June 5, 2018  
(Date)

**RESOLVED:** That the President & CEO  
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of  
the 5<sup>th</sup> day of June, 2018.  
(Date Contract Signed)

4. Peter Kelleher is the duly elected President & CEO  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

David A. Aponovich  
(Signature of the Elected Officer)

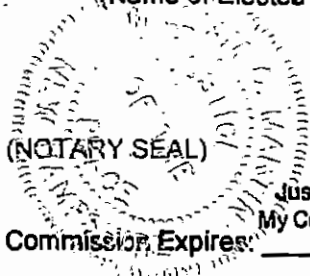
STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 5<sup>th</sup> day of June 2018.

By David Aponovich  
(Name of Elected Officer of the Agency)

William C. Martin  
(Notary Public/Justice of the Peace)



WILLIAM C. MARTIN  
Justice of the Peace - New Hampshire  
My Commission Expires November 4, 2020

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





77 Northeastern Blvd  
Nashua, NH 03062  
www.harborhomes.org



Phone: 603-882-3616  
603-881-8436  
Fax: 603-595-7414

*A Beacon for the Homeless for Over 30 Years*



## **Mission Statement**

*To create and provide quality residential and supportive services for persons (and their families) challenged by mental illness and homelessness.*

### **A member of the Partnership for Successful Living**

A collaboration of six affiliated not-for-profit organizations providing southern New Hampshire's most vulnerable community members with access to housing, health care, education, employment and supportive services.  
www.nhpartnership.org

Harbor Homes • Healthy at Home • Keystone Hall • Milford Regional Counseling Services  
• Southern NH HIV/AIDS Task Force • Welcoming Light



**HARBOR HOMES, INC.**

Financial Statements

For the Year Ended June 30, 2017

(With Independent Auditors' Report Thereon)

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Harbor Homes, Inc.

Additional Offices:

Andover, MA  
Greenfield, MA  
Manchester, NH  
Ellsworth, ME

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Harbor Homes, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### **Auditors' Responsibility**

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

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

such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

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

### **Report on Summarized Comparative Information**

We have previously audited Harbor Homes, Inc.'s fiscal year 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 2, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2017 on our consideration of Harbor Homes, 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 Harbor Homes Inc.'s internal control over financial reporting and compliance.

*Melanson Heath*

November 6, 2017

HARBOR HOMES, INC.

Statement of Financial Position

June 30, 2017

(With Comparative Totals as of June 30, 2016)

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Current Assets:		
Cash and cash equivalents	\$ 320,236	\$ 80,962
Accounts receivable, net	1,223,052	862,339
Patient services receivables, net	691,464	448,468
Due from related organizations	474,240	180,466
Inventory	67,277	-
Other assets	60,249	160,913
Total Current Assets	<u>2,836,518</u>	<u>1,733,148</u>
Noncurrent Assets:		
Property and equipment, net of accumulated depreciation	23,364,133	19,139,795
Restricted cash	428,025	382,783
Investments	331,597	8,890
Due from related organizations	345,355	318,617
Beneficial interest	161,946	143,756
Deferred compensation plan	-	100,591
Total Noncurrent Assets	<u>24,631,056</u>	<u>20,094,432</u>
Total Assets	<u>\$ 27,467,574</u>	<u>\$ 21,827,580</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable	\$ 956,353	\$ 233,806
Accrued expenses	1,111,291	789,127
Line of credit	966,156	100,100
Other liabilities	5,582	256,659
Current portion of capital leases payable	18,304	47,985
Current portion of mortgages payable	247,589	256,680
Total Current Liabilities	<u>3,305,275</u>	<u>1,684,357</u>
Long Term Liabilities:		
Security deposits	58,096	31,953
Deferred compensation plan	-	107,215
Capital leases payable, net of current portion	-	13,446
Mortgages payable, tax credits	79,280	100,323
Mortgages payable, net of current portion	11,666,646	6,932,311
Mortgages payable, deferred	5,217,096	5,217,096
Total Long Term Liabilities	<u>17,021,118</u>	<u>12,402,344</u>
Total Liabilities	20,326,393	14,086,701
Unrestricted Net Assets	6,812,003	7,593,742
Temporarily Restricted Net Assets	329,178	147,137
Total Net Assets	<u>7,141,181</u>	<u>7,740,879</u>
Total Liabilities and Net Assets	<u>\$ 27,467,574</u>	<u>\$ 21,827,580</u>

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

HARBOR HOMES, INC.

Statement of Activities

For the Year Ended June 30, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

	Unrestricted <u>Net Assets</u>	Temporarily Restricted <u>Net Assets</u>	2017 <u>Total</u>	2016 <u>Total</u>
Public Support and Revenue:				
Public Support:				
Federal grants	\$ 3,520,498	\$ -	\$ 3,520,498	\$ 2,758,968
State and local grants	6,268,872	-	6,268,872	3,824,837
Other grants	217,600	-	217,600	-
Contributions	280,525	599,406	879,931	484,631
Fundraising events	26,620	-	26,620	20,885
Net assets released from restriction	417,365	(417,365)	-	-
Total Public Support	<u>10,731,480</u>	<u>182,041</u>	<u>10,913,521</u>	<u>7,089,321</u>
Revenue:				
Department of Housing and Urban Development	3,041,875	-	3,041,875	2,940,896
Veterans Administrative grants	2,160,799	-	2,160,799	2,303,049
Contracted services	642,870	-	642,870	328,802
Patient services revenues, net	2,430,161	-	2,430,161	1,736,275
Medicaid, net	1,499,295	-	1,499,295	1,292,782
Rent and service charges, net	692,803	-	692,803	381,691
Other fees and miscellaneous	180,355	-	180,355	292,972
Outside rent	423,430	-	423,430	122,508
Management fees	25,536	-	25,536	25,324
Investment income/(loss)	25,508	-	25,508	(5,792)
Total Revenue	<u>11,122,632</u>	<u>-</u>	<u>11,122,632</u>	<u>9,418,507</u>
Total Public Support and Revenue	<u>21,854,112</u>	<u>182,041</u>	<u>22,036,153</u>	<u>16,507,828</u>
Expenses:				
Program	20,070,879	-	20,070,879	15,156,854
Administration	2,032,507	-	2,032,507	2,107,947
Fundraising	532,465	-	532,465	264,974
Total Expenses	<u>22,635,851</u>	<u>-</u>	<u>22,635,851</u>	<u>17,529,775</u>
Legal settlement, net (see Note 22)	-	-	-	1,119,434
Debt forgiveness	-	-	-	98,087
Change in net assets	(781,739)	182,041	(599,698)	195,574
Net Assets, Beginning of Year	<u>7,593,742</u>	<u>147,137</u>	<u>7,740,879</u>	<u>7,545,305</u>
Net Assets, End of Year	<u>\$ 6,812,003</u>	<u>\$ 329,178</u>	<u>\$ 7,141,181</u>	<u>\$ 7,740,879</u>

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



HARBOR HOMES, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>2017 Total</u>	<u>2016 Total</u>
Expenses:					
Accounting fees	\$ -	\$ 41,814	\$ 102	\$ 41,916	\$ 54,671
Advertising and promotion	1,300	5,315	10,581	17,196	10,453
Client counseling and support services	59,223	-	-	59,223	40,286
Client rental assistance	5,713,823	-	-	5,713,823	5,148,408
Conferences, conventions, and meetings	101,990	12,702	721	115,413	72,387
Contracted services	1,408,890	13,329	88	1,422,307	277,409
Employee benefits	900,118	148,436	41,017	1,089,571	865,527
Food and nutrition services	104,496	-	49	104,545	75,070
Grants and donations to other organizations	232,089	686	18,940	251,715	190,916
Information technology	253,700	182,108	1,990	437,798	190,941
Insurance	135,755	5,680	228	141,663	135,910
Interest expense	421,914	75,885	1,079	498,878	445,569
Legal fees	25,585	91,463	-	117,048	105,773
Membership dues	25,808	1,788	-	27,596	16,459
Miscellaneous	57,404	38,045	1,418	96,867	41,700
Occupancy	939,676	120,619	12,239	1,072,534	752,915
Office expenses	161,297	48,862	17,074	227,233	188,582
Operational supplies	300,203	9,131	527	309,861	191,021
Payroll taxes	574,927	76,390	28,109	679,426	520,202
Professional fees	50,627	57,660	25,164	133,451	159,402
Retirement contributions	190,318	20,727	13,134	224,179	235,265
Salaries and wages	7,364,440	992,755	352,427	8,709,622	6,734,326
Travel	94,108	2,298	1,135	97,541	83,412
Total Expenses	<u>19,117,691</u>	<u>1,945,693</u>	<u>526,022</u>	<u>21,589,406</u>	<u>16,536,604</u>
Depreciation and amortization	<u>953,188</u>	<u>86,814</u>	<u>6,443</u>	<u>1,046,445</u>	<u>993,171</u>
Total Functional Expenses	<u>\$ 20,070,879</u>	<u>\$ 2,032,507</u>	<u>\$ 532,465</u>	<u>\$ 22,635,851</u>	<u>\$ 17,529,775</u>

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

**HARBOR HOMES, INC.**

Statement of Cash Flows

For the Year Ended June 30, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

	2017	2016
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ (599,698)	\$ 195,574
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	1,046,445	993,171
(Gain)/loss on beneficial interest	(18,190)	5,747
Debt forgiveness	-	(98,087)
(Increase) Decrease In:		
Accounts receivable	(360,713)	158,095
Patient services receivable	(242,996)	(158,176)
Inventory	(67,277)	-
Other assets	100,664	(94,844)
Increase (Decrease) In:		
Accounts payable	722,547	(214,819)
Accrued expenses	322,164	69,111
Deferred compensation plan	(6,624)	254,400
Other liabilities	(251,077)	6,624
Net Cash Provided by Operating Activities	645,245	1,116,796
<b>Cash Flows From Investing Activities:</b>		
Security deposits	26,143	(10,541)
Purchase of fixed assets	(320,785)	(63,527)
Purchase of investments	(322,707)	-
Sale of investments	-	1,409
Net Cash Used by Investing Activities	(617,349)	(72,659)
<b>Cash Flows From Financing Activities:</b>		
Borrowings from lines of credit	1,500,686	110,100
Payments on lines of credit	(634,631)	(743,319)
Payments on capital leases	(43,127)	(43,127)
Payments on long term borrowings	(224,753)	(221,547)
Payments on tax credits	(21,043)	(21,043)
Advances to related organizations	(1,791,201)	(353,583)
Repayments from related organizations	1,470,689	154,774
Net Cash Provided by (Used for) Financing Activities	256,620	(1,117,745)
Net Increase (Decrease) in Cash and Cash Equivalents	284,516	(73,608)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	463,745	537,353
Cash, Cash Equivalents, and Restricted Cash, End of Year	\$ 748,261	\$ 463,745
<b>Supplemental disclosures of cash flow information:</b>		
Interest paid	\$ 474,402	\$ 445,423
Non-cash financing activities	\$ 4,950,000	\$ -
Debt forgiveness	\$ -	\$ 98,087

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

## HARBOR HOMES, INC.

### Notes to the Financial Statements

#### 1. Organization:

Harbor Homes, Inc. (the Organization) is a nonprofit organization that creates and provides quality residential and supportive services for persons (and their families) challenged by mental illness and/or homelessness in the State of New Hampshire. Programs include mainstream housing, permanent housing, transitional housing, and emergency shelter, as well as comprehensive support services that include peer support programs, job training, a paid employment program, and social and educational activities.

In addition to housing and supportive services, the Organization runs a health care clinic that is a Federally Qualified Health Center (FQHC) offering primary medical services to the homeless and/or low-income individuals.

#### 2. Summary of Significant Accounting Policies:

##### *Comparative Financial Information*

The accompanying financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2016, from which the summarized information was derived.

##### *Cash and Cash Equivalents*

All cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

##### *Accounts Receivable, Net*

Accounts receivable consist primarily of noninterest-bearing amounts due for services and programs. The allowance for uncollectable accounts receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable.

### ***Patient Services Receivables, Net***

Patient services receivables result from the health care services provided by the Organization's Federally Qualified Health Care Center. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts. The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage, and other indicators.

For receivables associated with services provided to patients who have third-party coverage, which includes patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Organization analyzes contractually due amounts and provides an allowance for doubtful collections and a provision for doubtful collections, if necessary. For receivables associated with self-pay patients, the Organization records a significant provision for doubtful collections in the period of service on the basis of its past experience, which indicates that many patients are unable to pay the portion of their bill for which they are financially responsible. The difference between the billed rates and the amounts actually collected after all reasonable collections efforts have been exhausted is charged off against the allowance for doubtful collections. The Organization has not changed its financial assistance policy in fiscal year 2017. The Organization does not maintain a material allowance for doubtful collections from third-party payors, nor did it have significant write-offs from third-party payors.

### ***Inventory***

Inventory is comprised of program-related merchandise held for sale in the pharmacy, and is stated at the lower of cost or market determined by the first-in, first-out method.

### ***Investments***

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

### ***Property and Equipment***

Property and equipment is reported in the Statement of Financial Position at cost, if purchased, and at fair value at the date of donation, if donated. Property and equipment is capitalized if it has a cost of \$5,000 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as

incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

<u>Assets</u>	<u>Years</u>
Land improvements	15
Buildings and improvements	10 - 40
Software	3
Vehicles	3
Furniture and fixtures	5 - 7
Equipment	5 - 7

Property and equipment is reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

#### ***Beneficial Interests in Charitable Trusts Held by Others***

The Organization has been named as an irrevocable beneficiary of several charitable trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors. Therefore, the Organization has neither possession nor control over the assets of the trusts. At the date of notification of an interest in a beneficial trust, a temporarily or permanently restricted contribution is recorded in the Statement of Activities, and a beneficial interest in charitable trusts held by others is recorded in the Statement of Financial Position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the Statement of Financial Position, with changes in fair value recognized in the Statement of Activities. Upon receipt of trust distributions and/or expenditures in satisfaction of the restricted purpose stipulated by the donor, if any, temporarily restricted net assets are released to unrestricted net assets; permanently restricted net assets are transferred to the endowment.

#### ***Net Assets***

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Unrestricted Net Assets* – Net assets available for use in general operations.

*Temporarily Restricted Net Assets* – Net assets subject to donor restrictions that may or will be met by expenditures or actions and/or the passage of

time. Contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

*Permanently Restricted Net Assets* – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed. The restrictions stipulate that resources be maintained permanently, but permit expending of the income generated in accordance with the provisions of the agreements.

### ***Revenue and Revenue Recognition***

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

### ***Patient Service Revenues, Net***

Patient service revenues, net is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Self-pay revenue is recorded at published charges with charitable allowances deducted to arrive at net self-pay revenue. All other patient services revenue is recorded at published charges with contractual allowances deducted to arrive at patient services, net. Reimbursement rates are subject to revisions under the provisions of reimbursement regulations. Adjustments for such revisions are recognized in the fiscal year incurred. Included in third-party receivables are the outstanding uncompensated care pool payments.

### ***Charity Care***

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Since the Organization does not pursue collection of amounts determined to qualify as charity care, these amounts are reported as deductions from revenue (see Note 16).

### ***Accounting for Contributions***

Contributions are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with

payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

### ***Gifts-in-Kind Contributions***

The Organization periodically receives contributions in a form other than cash or investments. Contributed property and equipment is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization's program operations and in its fund-raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. Generally Accepted Accounting Principles allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

### ***Grant Revenue***

Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's, *Uniform Grant Guidance*, and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

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

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

### ***Income Taxes***

Harbor Homes, Inc. is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions.

The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. If the Organization has net income that is derived from business activities that are unrelated to its exempt purpose, it would need to file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

### ***Estimates***

The preparation 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, 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 and those differences could be material.

### ***Financial Instruments and Credit Risk***

Deposit concentration risk is managed by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed



insured limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts and contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and entities supportive of the Organization's mission. Investments are monitored regularly by the Organization. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that its investment strategies are prudent for the long-term welfare of the Organization.

### ***Fair Value Measurements and Disclosures***

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for many of the assets and liabilities that the Organization is required to measure at fair value (for example, unconditional contributions receivable and in-kind contributions).

The primary uses of fair value measures in the Organization's financial statements are:

- Initial measurement of noncash gifts, including gifts of investment assets and unconditional contributions receivable.
- Recurring measurement of due from related Organizations (note 4) – Level 3.
- Recurring measurement of investments (note 6) – Level 1.
- Recurring measurement of beneficial interests (note 8) – Level 3.
- Recurring measurement of lines of credit (note 10) – Level 2.
- Recurring measurement of capital leases payable (note 11) – Level 2.
- Recurring measurement of mortgages payable (notes 12 - 14) – Level 2.

The carrying amounts of cash, cash equivalents, restricted cash, receivables, other assets, accounts payable, accrued expenses, and other liabilities, approximate fair value due to the short-term nature of the items, and are considered to fall within Level 1 of the fair value hierarchy.

### ***Reclassifications***

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

### **3. Receivables, Net:**

Accounts receivable at June 30, 2017 consists of the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Grants	\$ 1,045,069	\$ -	\$ 1,045,069
Pledges	95,500	-	95,500
Residents	96,844	(55,592)	41,252
Other	39,713	-	39,713
Security deposits	<u>1,518</u>	<u>-</u>	<u>1,518</u>
Total	<u>\$ 1,278,644</u>	<u>\$ (55,592)</u>	<u>\$ 1,223,052</u>

Patient accounts receivable, related to the Organization's federally qualified health care center, consisted of the following at June 30, 2017:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Medicaid	\$ 435,044	\$ (65,825)	\$ 369,219
Medicare	130,855	(12,319)	118,536
Other	<u>592,924</u>	<u>(389,215)</u>	<u>203,709</u>
Total	<u>\$ 1,158,823</u>	<u>\$ (467,359)</u>	<u>\$ 691,464</u>

#### 4. Due From Related Organizations:

Due from related organizations represents amounts due to Harbor Homes, Inc. from related entities whereby common control is shared with the same Board of Directors (See Note 18). These balances exist because certain receipts and disbursements of the related organizations flow through the Harbor Homes, Inc. main operating cash account. The related organizations and their balances at June 30, 2017 are as follows:

Current:	
Greater Nashua Council on Alcoholism	\$ 380,115
Harbor Homes III, Inc.	5,748
Healthy at Home	77,309
HH Ownership, Inc.	2,016
Southern NH HIV/AIDS Task Force	<u>9,052</u>
Subtotal current	474,240
Noncurrent:	
Harbor Homes II, Inc.	134,371
Milford Regional Counseling Services, Inc.	48,494
Welcoming Light, Inc.	<u>162,490</u>
Subtotal noncurrent	<u>345,355</u>
Total	<u>\$ 819,595</u>

Although management believes the above receivables to be collectible, there is significant risk that the noncurrent portion may not be.

As discussed in note 2, the valuation technique used for due from related organizations is a Level 3 measure because there are no observable market transactions. Changes in the fair value of assets measured at fair value on a recurring basis using significant unobservable inputs are comprised of the following:

Beginning balance June 30, 2016	\$	499,083
Advances		1,791,201
Reductions		<u>(1,470,689)</u>
Ending balance June 30, 2017	\$	<u>819,595</u>

**5. Property, Equipment and Depreciation:**

A summary of the major components of property and equipment is presented below:

Land	\$	2,786,690
Land improvements		12,290
Buildings		19,715,780
Building improvements		6,244,321
Software		515,010
Vehicles		211,878
Furniture and fixtures		159,591
Equipment		400,464
Dental equipment		141,716
Medical equipment		58,022
Construction in progress		<u>304,669</u>
Subtotal		30,550,431
Less: accumulated depreciation		<u>(7,186,298)</u>
Total	\$	<u>23,364,133</u>

Depreciation expense for the year ended June 30, 2017 totaled \$1,046,445.

**6. Investments:**

The Organization's investments consist of the following at June 30, 2017:

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain or (Loss) To Date</u>
Equities	\$ 236,270	\$ 240,758	\$ 4,488
Mutual Funds	<u>90,839</u>	<u>90,839</u>	<u>-</u>
Total	\$ <u>327,109</u>	\$ <u>331,597</u>	\$ <u>4,488</u>

**7. Restricted Cash:**

Restricted cash consists of escrow accounts and reserves which are held for various purposes. The following is a summary of the restricted accounts:

Security deposits	\$ 56,578
Reserve for replacements	367,077
Residual receipt deposits	<u>4,370</u>
Total	<u>\$ 428,025</u>

Security deposits held will be returned to tenants when they vacate. Reserve for replacement accounts are required by the Department of Housing and Urban Development (HUD) and the City of Nashua and are used for the replacement of property with prior approval. Residual receipt deposits are required by the Department of Housing and Urban Development and are to be used at the discretion of HUD.

**8. Beneficial Interest:**

The Organization has a beneficial interest in the Harbor Homes, Inc. Fund (the Fund), a component fund of the New Hampshire Charitable Foundation's (the Foundation) Nashua Region. The Organization will receive distributions from the Fund based on a spending allocation, which is a percentage of the assets set by the Foundation and reviewed annually. The current spending percentage is 4.5% of the market value (using a 20-quarter average) of the Fund. At June 30, 2017, the value of the fund was \$161,946.

As discussed in note 2, the valuation technique used for beneficial interest is a Level 3 measure because there are no observable market transactions. Changes in the fair value of assets measured at fair value on a recurring basis using significant unobservable inputs are comprised of the following:

Beginning balance June 30, 2016	\$ 143,756
Advances	18,190
Reductions	<u>-</u>
Ending balance June 30, 2017	<u>\$ 161,946</u>

**9. Accrued Expenses:**

Accrued expenses include the following:

Mortgage interest	\$	26,804
Payroll and related taxes		491,506
Compensated absences		<u>592,981</u>
Total	\$	<u><u>1,111,291</u></u>

**10. Lines of Credit:**

At June 30, 2017, the Organization had a \$1,000,000 of credit available from TD Bank, N. A. due October 31, 2017, secured by all assets. The Organization is required, at a minimum, to make monthly interest payments to TD Bank, N. A. at the bank's base rate plus 1% adjusted daily. As of June 30, 2017, the credit line had an outstanding balance of \$620,072 at an interest rate of 5.25%.

In addition, the Organization had a \$500,000 of credit available from TD Bank, N. A. due October 31, 2017, secured by all assets. The Organization is required, at a minimum, to make monthly interest payments to TD Bank, N. A. at the bank's base rate plus 1% adjusted daily. As of June 30, 2017, the credit line had an outstanding balance of \$346,084 at an interest rate of 5.25%

**11. Capital Leases:**

The Organization is the lessee of certain equipment under a capital lease expiring in November of 2017. Future minimum lease payments under this lease are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ <u>18,304</u>
Total	\$ <u><u>18,304</u></u>

At June 30, 2017, equipment of \$132,000, net of depreciation of \$24,200, related to this capital lease.

**12. Mortgages Payable, Tax Credits:**

Mortgages payable, tax credits consist of a mortgage payable to the Community Development Finance Authority through the Community Development Investment Program, payable through the sale of tax credits to donor organi-

zations, maturing in 2020, secured by real property located at 59 Factory Street in Nashua, NH. This amount is amortized over ten years at zero percent interest. The amount due at June 30, 2017 is \$79,280.

**13. Mortgages Payable:**

Mortgages payable as of June 30, 2017 consisted of the following:

A mortgage payable to Enterprise Bank and Trust Company, with monthly interest only payments required at a fixed rate of 4%, maturing on February 28, 2019, secured by real property located at 75-77 Northeastern Boulevard in Nashua, NH.	\$ 3,375,000
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$7,879, including principal and interest at an adjustable rate of for the initial ten years based on the then prevailing 10/30 Federal Home Loan Bank Amortizing Advance Rate plus 3.00% and resetting in year 11 based on the then prevailing 10/20 Federal Home Loan Bank Amortizing Advance Rate plus 3.00%, maturing in 2043, secured by real property located at 335 Somerville Street in Manchester, NH.	1,163,150
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$6,193, including principal and interest at an adjustable rate of 4.57% for twenty years, maturing in 2043, secured by real property located at 335 Somerville Street in Manchester, NH.	1,141,480
A mortgage payable to New Hampshire Community Loan Fund, Inc., with interest only payments required at a fixed rate of 6%, maturing December of 2018, secured by real property located at 75-77 Northeastern Boulevard in Nashua, NH.	1,125,000
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$7,768, including principal and interest at 7.05%, maturing in 2040, secured by real property located at 59 Factory Street in Nashua, NH.	1,060,851
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$5,126, including principal and interest at 6.97%, maturing in 2036, secured by real property located at 46 Spring Street in Nashua, NH.	648,007

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A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$5,324, including principal and interest at 4.38%, maturing in 2031, secured by real property located at 45 High Street in Nashua, NH. 638,618

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$3,996, including principal and interest at 4.75%, maturing in 2036, secured by real property located at 46 Spring Street in Nashua, NH. 604,365

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,692, including principal and interest at 4.75%, maturing in 2040, secured by real property located at 59 Factory Street in Nashua, NH. 454,374

A mortgage payable to TD Bank, due in monthly installments of \$5,387, including principal and interest at 3.97%, maturing in 2025, secured by real property located on Maple Street in Nashua, NH. 383,467

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,077, including principal and interest at 5.57% for the first five years, then adjusting in June 2015, 2020, 2025, and 2030 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 2.75%, maturing in 2035, secured by real property located at 189 Kinsley Street in Nashua, NH. 282,700

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$1,425, including principal and interest at 4.75% for five years and adjusting to the then-current Federal Home Loan Bank 5/25 Amortizing CDA Rate plus two and three-quarters percent in year six and every five years thereafter, maturing in 2042, secured by real property located at 45 High Street in Nashua, NH. 249,127

A mortgage payable to Mascoma Savings Bank, fsb., due in monthly installments of \$1,731, including principal and interest at 7.00% maturing in 2036, secured by real property located at 7 Trinity Street in Claremont, NH. 220,206

A mortgage payable to New Hampshire Health and Education Facilities Authority, due in monthly installments of \$3,419, including principal and interest at 1.00% maturing in 2022, secured by a mobile van. 193,493

(continued)



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A mortgage payable to the Department of Housing and Urban Development, due in monthly installments of \$2,385, including principal and interest at 9.25%, maturing in 2022, secured by real property located at 3 Winter Street in Nashua, NH. 117,182

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$1,144, including principal and interest at a variable rate (5.61% at June 30, 2012), maturing in 2029, secured by real property located at 24 Mulberry Street in Nashua, NH. 116,954

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$779, including principal and interest at 7.20% for the first five years, then adjusting in April 2012, 2017, 2022, 2027, and 2032 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 225 basis points, maturing in 2037, secured by real property located at 4 New Haven Drive, Unit 202 in Nashua, NH. 93,243

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,993, including principal and interest at 3.89%, maturing in 2035, secured by real property located at 59 Factory Street in Nashua, NH. 47,018

Total 11,914,235

Less amount due within one year (247,589)

Mortgages payable, net of current portion \$ 11,666,646

The following is a summary of future payments on the previously mentioned long-term debt.

<u>Year</u>	<u>Amount</u>
2018	\$ 247,589
2019	4,782,513
2020	297,052
2021	312,481
2022	322,022
Thereafter	<u>5,952,578</u>
Total	\$ <u>11,914,235</u>

**14. Mortgages Payable, Deferred:**

The Organization has deferred mortgages outstanding at June 30, 2017 totaling \$5,217,096. These loans are not required to be repaid unless the Organization is in default with the terms of the loan agreements or if an operating surplus occurs within that program.

Several of these loans are special financing from the New Hampshire Housing Finance Authority (NHHFA) to fund specific projects. These notes are interest free for thirty years with principal payments calculated annually at the discretion of the lender.

The following is a list of deferred mortgages payable at June 30, 2017:

City of Manchester:	
Somerville Street property	\$ <u>300,000</u>
Total City of Manchester	300,000
City of Nashua:	
Factory Street property	580,000
Spring Street property	491,000
High Street fire system	<u>65,000</u>
Total City of Nashua	1,136,000
Federal Home Loan Bank (FHLB):	
Factory Street property	400,000
Somerville Street property	400,000
Spring Street property	<u>398,747</u>
Total FHLB	1,198,747
NHHFA:	
Factory Street property	1,000,000
Spring Street property*	550,000
Charles Street property	32,349
Somerville Street property	<u>1,000,000</u>
Total NHHFA	<u>2,582,349</u>
Total Mortgages Payable, Deferred	\$ <u><u>5,217,096</u></u>

\* During fiscal year 2017, the Organization was out of compliance with the income eligibility terms of the loan agreement due to a tenant obtaining a higher income wage after entrance to the program. The lender is aware of the noncompliance and it is expected that this temporary noncompliance will be resolved when the specific tenant moves out.

**15. Temporarily Restricted Net Assets:**

Temporarily restricted net assets are available for the following purposes at June 30, 2017:

<u>Purpose</u>	<u>Amount</u>
Above and beyond	\$ 129
Art supplies	289
Claremont	15,000
Dalianis bricks	735
DAV	726
Dental equipment	10,000
Golf event	1,200
Mobile crisis	105,873
Northeastern Blvd.	107,000
Operation brightside	2,000
PEC	42
People's United grant	8,375
Plymouth capital project	25,000
SCOAP	1,292
Software	42,067
Standdown	2,764
Thanksgiving	356
Veterans Christmas fund	700
Veterans computers	5,630
Total	<u>\$ 329,178</u>

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the passage of time.

**16. Patient Service Revenue, Net:**

The Organization recognizes patient services revenue associated with services provided to patients who have Medicaid, Medicare, third-party payor, and managed care plans coverage on the basis of contractual rates for services rendered. For uninsured self-pay patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates if negotiated or provided by the Organization's policy. Charity care services are computed using a sliding fee scale based on patient income and family size. On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a provision for bad debts related to uninsured patients in the period the services are provided.

The Organization accepts patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies, which define charity services as those costs for which no payment is anticipated. The Organization uses federally established poverty guidelines to assess the level of discount provided to the patient. The Organization is required to provide a full discount to patients with annual incomes at or below 100% of the poverty guidelines, but may charge a nominal copay. If the patient is unable to pay the copay, the amount is written off to charity care. All patients are charged in accordance with a sliding fee discount program based on household size and household income. No discounts may be provided to patients with incomes over 200% of federal poverty guidelines.

Patient services revenue, net of provision for bad debts and contractual allowances and discounts, consists of the following:

	2017			2016	
	Gross Charges	Contractual Allowances	Charitable Care Allowances	Net Patient Service Revenue	Net Patient Service Revenue
Medicaid	\$ 1,834,675	\$ (363,773)	\$ -	\$ 1,470,902	\$ 1,159,434
Medicare	528,336	(244,296)	-	284,040	246,337
Third-party	1,151,592	(591,136)	-	560,456	428,481
Sliding fee/free care	215,008	-	(196,108)	18,900	57,275
Self-pay	304,314	-	(2,669)	301,645	140,412
Subtotal	\$ <u>4,033,925</u>	\$ <u>(1,199,205)</u>	\$ <u>(198,777)</u>	2,635,943	2,031,939
Provision for bad debts				<u>(205,782)</u>	<u>(295,664)</u>
Total				\$ <u>2,430,161</u>	\$ <u>1,736,275</u>

#### 17. Client Rental Assistance:

The Organization has multiple grants requiring the payment of rents on behalf of the consumer. Rent expense totaling approximately \$5.7 million is comprised of leases held in the Organization's name and the responsibility of the Organization, leases in consumers' names, or rents paid as client assistance.

#### 18. Transactions with Related Parties:

The Organization's clients perform janitorial services for Harbor Homes HUD I, II and III, Inc., Welcoming Light, Inc., Milford Regional Counseling Services, Inc., Healthy at Home, Inc., Greater Nashua Council on Alcoholism, and Southern NH HIV/AIDS Task Force, related organizations. These services are billed to the related organizations and reported as revenues in the accompanying financial statements based on actual cost.

The Organization currently has several contracts with Healthy at Home, Inc. to receive various skilled nursing services, CNA services and companion services for its clients. All of the contracts are based on per diem fees, ranging from \$16 per hour for companion services to \$100 per visit for skilled nursing services.

The Organization is a corporate guarantor for Greater Nashua Council on Alcoholism in relation to two mortgages on their Amherst Street property. The guaranties consist of one bond in the amount of \$3,963,900 and a mortgage in the amount of \$200,000.

During the year, the Organization rented office space, under tenant at will agreements, to Southern NH HIV/AIDS Task Force, Greater Nashua Council on Alcoholism, and Healthy at Home, Inc., related parties. The rental income under these agreements totaled \$52,305, \$41,250 and \$51,137, respectively, for fiscal year 2017.

Harbor Homes, Inc. received management fees totaling \$25,536 from its related organizations that have HUD projects.

The Organization is considered a commonly controlled organization with several related entities by way of its common board of directors. However, management believes that the principal prerequisites for preparing combined financial statements are not met, and therefore separate statements have been prepared.

The following are the commonly controlled organizations:

- Harbor Homes II, Inc.
- Harbor Homes III, Inc.
- HH Ownership, Inc.
- Welcoming Light, Inc.
- Milford Regional Counseling Services, Inc.
- Healthy at Home, Inc.
- Greater Nashua Council on Alcoholism
- Southern NH HIV/AIDS Task Force

**19. Deferred Compensation Plan:**

In fiscal year 2017, the Organization discontinued its 403(b) plan and deferred compensation plan for certain employees and directors. It also implemented a 401(k) retirement plan. Upon meeting the eligibility criteria, employees can contribute a portion of their wages to the 401(k) plan. The Organization matches a percentage of the employee contribution based on years of service. Total matching contributions paid by the Organization for the year ended June 30, 2017 were \$224,179.

**20. Concentration of Risk:**

The Organization received revenue as follows:

Federal grants	\$	16%
State, local, and other agencies		28%
Department of Housing and Urban Development		14%
Department of Veterans Affairs		10%
Medicaid		7%
All other support and revenue		<u>25%</u>
Total	\$	<u>100%</u>

**21. Contingencies:**

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments for patient service previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future financial effects of this matter on the Organization, if any, are not presently determinable.

**22. Legal Settlement, Net:**

In 2011, the State of New Hampshire removed the ability to bill for certain Medicaid services and the Organization filed suit. The Organization settled with the State in 2015 and was awarded \$1,350,000 in fiscal year 2016. The settlement was received net of legal fees.

**23. Supplemental Disclosure of Cash Flow Information:**

In fiscal year 2017, the Organization early adopted Accounting Standard Update (ASU) No. 2016-18, *State of Cash Flows (Topic 203): Restricted Cash*. The amendments in this update require that a Statement of Cash Flows explain the change during the fiscal year of restricted cash as part of the total of cash and cash equivalents.

The following table provides a reconciliation of cash and cash equivalents, and restricted cash reported in the Statement of Financial Position to the same such amounts reported in the Statement of Cash Flows.

Cash and Cash Equivalents	\$ 320,236
Restricted Cash	<u>428,025</u>
Total Cash, Cash Equivalents, and Restricted Cash shown in the Statement of Cash Flows	\$ <u>748,261</u>

**24. Subsequent Events:**

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from July 1, 2017 through November 6, 2017, the date the financial statements were available to be issued, have been evaluated by management for disclosure.

At June 30, 2017, the financial statements reported current liabilities that exceeded current assets. This is attributable to several unusual factors. In June 2017, the Organization determined that a major funder had overpaid a grant in the amount of \$250,000. As a result, a liability was recorded and a repayment agreement over a six-month period was agreed-upon, with the funder reducing its subsequent monthly payments. In addition, the Organization is currently in the beginning stages of several construction projects that will be completed in fiscal years 2018 and 2019. Historically, the Organization has received project funding in advance to cover upfront costs such as architects, engineers, and consultants. Full funding for these projects is anticipated from grants and tax credits. The grants will not be available to the Organization until construction loans and tax credits have been executed.

**CURRENT BOARD OF DIRECTORS LIST (12/18/17)**

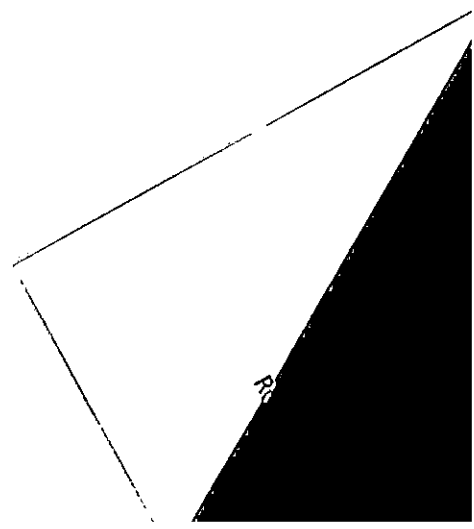
**Officers**

Dan Sallet, Chair  
Trent Smith, Vice-Chair  
Jared Frellich, Treasurer  
David Aponovich, Asst. Treasurer  
Joel Jaffe, Secretary  
Laurie Goguen, Asst. Secretary

**Directors**

Thomas I. Arnold, III  
Jack Balcom  
Vijay Bhatt  
Vince Chamberlain  
Vijay Dav'e  
Laurie DesRochers  
Phil Duhaime  
Lynn King  
Ed McDonough  
Rick Plante





Heather Nelson

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**OBJECTIVE**

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To obtain a position in senior management that is challenging and offers an opportunity to advance in my career.

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**EXPERIENCE**

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**Assistant Director HUD Housing**

**2017-present**

*Harbor Homes Inc. Nashua, NH*

- Oversee operation and management of all HUD funded housing programs as well as Project Based Vash
- Work collaboratively with business office to decrease spending and increase revenues
- Monitor rent revenue on a monthly basis to ensure residents are paying their rent
- Represent Harbor Homes Inc. whenever possible in the case of an eviction
- Oversee HIC, PIC, & APR data for all HUD funded projects
- Provide guidance to team members on progress of all cases. Ensure HUD compliance and professionalism
- Maintain inventory of upcoming/current vacancies in HUD housing programs
- Oversee budget, planning, and all activities of the S.C.O.A.P. program
- Participate as chairperson of the GNCOC

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**Permanent Housing Program Manager**

**2007-2017**

*Harbor Homes Inc. Nashua, NH*

- Manage & oversee 7 Permanent Housing programs
- Oversee assistant program manager and provide supervision and routine assessment of performance
- Monitor the implementation of residential service plans and services for program participants
- Coordinate verification of eligibility requirements and maintain financial documentation as required by HUD
- Coordinate services with community resources for program participants
- Monitor the quality of all resident files & and ensure accuracy and HUD compliance
- Oversee & facilitate all entries & exits from the program
- Oversee budget, planning, and all activities of the S.C.O.A.P. program

**Permanent Housing Program Assistant Manager**

**2006-2007**

*Harbor Homes Inc. Nashua, NH*

- Provide symptom management to 25-28 consumers on a weekly basis
- Provide documentation of interactions with consumers
- Responsible for staff scheduling with consumers
- Work collaboratively with all members of treatment teams
- Assist residents to set goals and work towards achieving desired outcomes
- Assist Program Manager to complete daily tasks as needed
- Complete quarterly reports on services provided to the local community health center

**Permanent Housing Case Manager**

**2004-2006**

*GNCA Inc., Harbor Homes Inc. Nashua, NH*

- Assist clients with ADL skills
- Assist clients to set goals and take necessary steps towards achieving desired outcome
- Assist clients with money management and budgeting skills
- Keep documentation of all client interactions
- Report to a team of individuals on a weekly basis to discuss consumers and their individual needs

**Office Manager/Volunteer Coordinator**

**2005-2006**

*GNCA Inc., Nashua, NH*

- Oversee and document all Federal Drug screens
- Responsible for all client wait lists, coordinating services & communication for all departments
- Direct all public contacts to the appropriate department and/or staff member
- Provide documentation for the courts regarding client participation and compliance
- Coordinate & Maintain database of referral services
- Supervise and coordinate volunteer program
- Interview & train all volunteers

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**EDUCATION**

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**NH Community Technical College, Nashua, NH**

**2003-2005**

- Human Service Major
  - Graduate with a 3.75 GPA
  - Magna Cum Laude
  - Member of Phi Theta Kappa
  - Received Human Service Worker of the Future Award
  - Received award for Highest Cumulative GPA in Human Services
  - Who's Who Among Students in American Jr. Colleges
-

**Jean Melvin**

**Degree/Education;** Boston U-Mass. graduate 1982 .BA in Psychology. Manchester Springfield College of Human Services graduate December 2006. Masters Human Services/Community Counseling

**Experience;**

July 2008 – Present: Harbor Homes, Nashua NH

Program Manager;

**Job Description:** Management of a permanent housing program and a program for homeless individuals who have co-occurring disorders. All aspects of management: scheduling, organizing, budgeting, reports, etc.

July 2001- July 2008: Center for Life Management, Windham Inn P.O. Box 1027 Windham, NH 03038

Clinical Case Manager;

**Job Description;** Assisting clients with mild to severe mental illness/ Co-occurring disorders in all aspects of their illness and daily living in the community. Including but not limited to finances, medical appointments and applying and maintaining benefits. Treatment plans and Quarterly paper work requirements as mandated by the State of New Hampshire Division of Behavioral Health. Assisting such clients with benefit application and maintaining of same. Crisis intervention and hospitalization as needed. DBT and IMR training and teaching to clients for which assigned.

Nov.1999-July 2001; Manchester Mental Health 301 Cypress Street Manchester, NH 03102

Counselor Cypress Center

**Job Description;** Crisis Stabilization Unit for Mentally Ill population. Intervention and observation of such clients that were in needed of assistance in of stabilization and education. Treatment Plans, monitoring for safety, which includes CPI training as required for all staff. Discharge planning and follow up.

**Past Experience;** Management positions totaling 8 years in the following:

**North Suffolk Mental Health Association;**

**Residential Service Coordinator; Management of 5 programs for Mentally Ill population. Duties including scheduling required paper work, finances and supervising of 35 clients and 15 staff members under such programs.**

**Director of Lynn Human Services Day Program. 3 yrs. The population serviced included Dev. Disabled, Deaf/Blind.**

**Strengths; Proven and documented employment history in management, finances and budgeting, (3 yrs. of part time employment with H & R Block in Tax preparations) supervisory skills, clinical experience and education. Also having worked with the following population and treatment oriented in Alcohol/Drug Adults, Programs included Residential, Hospital Outpatient and Stabilization Units.**

**References; Will be furnished upon request.**

**CONTRACTOR NAME**

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Peter Kelleher	President and CEO	\$193,032	0%	\$0
Patricia Robitaille	VP of Finance	\$148,000	0%	\$0
Heather Nelson	Residential Director	\$60,000	1%	\$600
Jean Melvin	Program Manager	\$52,500	60%	\$22,500

Subject: Continuum of Care, McGrath Street Permanent Housing, SS-2019-BHHS-03-Perma-14

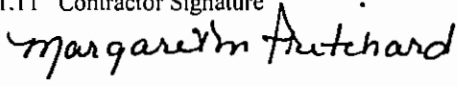
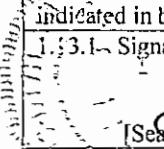
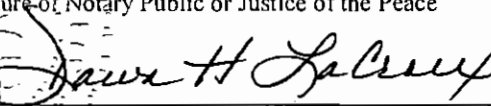
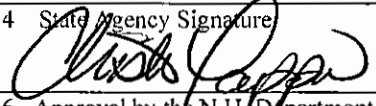
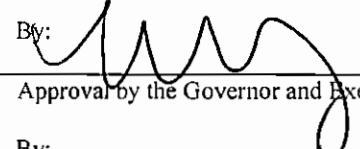
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**I. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name The Lakes Region Mental Health Center, Inc. d/b/a Genesis Behavioral Health		1.4 Contractor Address 40 Beacon Street East Laconia, NH 03246	
1.5 Contractor Phone Number (603) 516-9300	1.6 Account Number 05-95-42-423010-7927-102-500731	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$97,528
1.9 Contracting Officer for State Agency E. Maria Reinemann, Esq. Director of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9330	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Margaret M. Pritchard Executive Director	
1.13 Acknowledgement: State of <u>New Hampshire</u> , County of <u>Belknap</u> On: <u>June 6, 2018</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">  <p>[Seal]</p> </div> <div style="text-align: center;">  </div> <div style="text-align: right;"> <p><b>DAWN H. LACROIX</b>                      Notary Public - New Hampshire                      My Commission Expires March 22, 2022</p> </div> </div>			
1.13.2 Name and Title of Notary or Justice of the Peace Dawn H. Lacroix, Notary			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Christine Tappan, Associate Commissioner	
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: <u>Notary</u> <u>6/7/18</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

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

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

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, 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.



**SCOPE OF SERVICES**

**Permanent Housing Program**

**1. Provisions Applicable to All Services**

- 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.2. 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, through the Bureau of Housing Supports, has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. 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 their programs and/or services within ten (10) days of the contract effective date; submitted to:  
  
NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301
- 1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

**2. Scope of Services**

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) CoC Program, the Contractor shall provide a Permanent Housing, Permanent Supportive Housing or Rapid Re-Housing project which includes, but is not limited to:
  - 2.1.1. Utilization of the "Housing First" model, which shall at a minimum, not impose barriers to entering housing, beyond those required by regulation or statute, and will only terminate project participation for the most severe reasons once available options have been exhausted to help a participant maintain housing.  
  
"Housing First" details can be accessed at:  
<https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf>
  - 2.1.2. The development of a stabilization plan and crisis management plan with the participant, at intake and, at a minimum, annually. An ongoing Assessment of Housing and Supportive Services is required, with the ultimate goal being assistance to the participant in obtaining the skills necessary to live in the community independently.
  - 2.1.3. The CoC Program interim rule, 24 CFR Part 578, requires that all CoCs implement a Coordinated Entry System (CES) in collaboration with any projects funded by the CoC Program, ESG Program, and HOPWA Program.  
  
24 CFR Part 578 can be accessed at:  
[https://www.hudexchange.info/resources/documents/CoCProgramInterimRule\\_FormattedVersion.pdf](https://www.hudexchange.info/resources/documents/CoCProgramInterimRule_FormattedVersion.pdf)



Exhibit A

- 2.1.4. The subrecipient is required to comply with applicable civil rights laws, per CFR Section 578.93, addressing nondiscrimination and equal opportunity requirements. Section 578.93(a) states that the nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105 (a) apply. This includes, but is not limited to, the Fair Housing Act, Title VI of Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 (Section 504), and title II of the Americans with Disabilities Act.
- 2.1.5. The subrecipient must establish and maintain standard operating procedures for ensuring that CoC program funds are used in accordance with the requirements of 24 CFR 578 and must establish and maintain sufficient records to enable HUD and BHS to determine whether the subrecipient is meeting the requirements, including:
  - 2.1.5.1. Continuum of Care records: Each collaborative applicant must keep the following documentation related to establishing and operating a CoC;
  - 2.1.5.2. Evidence that the Board selected by the Continuum of Care meets the requirements of § 578.5(b);
  - 2.1.5.3. Evidence that the Continuum has been established and operated as set forth in subpart B of this part, including published agendas and meeting minutes, an approved Governance Charter that is reviewed and updated annually, a written process for selecting a board that is reviewed and updated at least once every five (5) years, evidence required for designating a single Homeless Management Information System (HMIS) for the Continuum, and monitoring reports of recipients and subrecipients; and
  - 2.1.5.4. Evidence that the Continuum has prepared the application for funds as set forth in § 578.9, including the designation of the eligible applicant to be the collaborative applicant.
- 2.2. Unified funding agency records (UFAs) that requested grant amendments from HUD, as set forth in § 578.105, must keep evidence that the grant amendment was approved by the Continuum. This evidence may include minutes of meetings at which the grant amendment was discussed and approved.
- 2.3. Homeless status. Acceptable evidence of homeless status is set forth in 24 CFR 576.500(b).
- 2.4. At risk of homelessness status. For those recipients and subrecipients that serve persons at risk of homelessness, the recipient or subrecipient must keep records that establish "at risk of homelessness" status of each individual or family who receives CoC homelessness prevention assistance. Acceptable evidence is found in 24 CFR 576.500(c).
- 2.5. Records of reasonable belief of imminent threat of harm. For each program participant who moved to a different CoC due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking under § 578.51(c)(3), each recipient or subrecipient of assistance under this part must retain:
  - 2.5.1. Documentation of the original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file. This may be written observation of the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; court records or law enforcement records; or written certification by the program participant to whom the violence occurred or by the head of household.
  - 2.5.2. Documentation of the reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking, which would include threats from a third-party, such as a friend or family member of the perpetrator of the violence. This may be written observation



Exhibit A

by the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.

- 2.6. Annual income. For each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, the recipient or subrecipient must keep the following documentation of annual income:
  - 2.6.1. Income evaluation form specified by HUD and completed by the recipient or subrecipient; and
  - 2.6.2. Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement) for the assets held by the program participant and income received before the date of the evaluation;
  - 2.6.3. To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period; or
  - 2.6.4. To the extent that source documents and third-party verification are unobtainable, the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the three (3) month period following the evaluation.
- 2.7. Program participant records. In addition to evidence of homelessness status or at-risk-of-homelessness status, as applicable, the recipient or subrecipient must keep records for each program participant that document:
  - 2.7.1. The services and assistance provided to that program participant, including evidence that the recipient or Subrecipient has conducted an annual assessment of services for those program participants that remain in the program for more than a year and adjusted the service package accordingly, and including case management services as provided in § 578.37(a)(1)(ii)(F); and
  - 2.7.2. Where applicable, compliance with the termination of assistance requirement in § 578.91.
- 2.8. Housing standards. The recipient or subrecipient must retain documentation of compliance with the housing standards in § 578.75(b), including inspection reports.
- 2.9. Services provided. The recipient or subrecipient must document the types of supportive services provided under the recipient's program and the amounts spent on those services. The recipient or subrecipient must keep record that these records were reviewed at least annually and that the service package offered to program participants was adjusted as necessary.
- 2.10. Match. The recipient must keep records of the source and use of contributions made to satisfy the match requirement in § 578.73. The records must indicate the grant and fiscal year for which each matching contribution is counted. The records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.
- 2.11. Conflicts of interest. The recipient and its subrecipients must keep records to show compliance with the organizational conflict-of-interest requirements in § 578.95(c), the Continuum of Care board conflict-of-interest requirements in § 578.95(b), the other conflict requirements in §



Exhibit A

- 578.95(d), a copy of the personal conflict-of-interest policy developed and implemented to comply with the requirements in § 578.95, and records supporting exceptions to the personal conflict-of-interest prohibitions.
- 2.12. Homeless participation. The recipient or subrecipient must document its compliance with the homeless participation requirements under § 578.75(g).
  - 2.13. Faith-based activities. The recipient and its subrecipients must document their compliance with the faith-based activities requirements under § 578.87(b).
  - 2.14. Affirmatively Furthering Fair Housing. Recipients and subrecipients must maintain copies of their marketing, outreach, and other materials used to inform eligible persons of the program to document compliance with the requirements in § 578.93(c).
  - 2.15. Other federal requirements. The recipient and its subrecipients must document their compliance with the federal requirements in § 578.99, as applicable.
  - 2.16. Subrecipients and contractors.
    - 2.16.1. The recipient must retain copies of all solicitations of and agreements with subrecipients, records of all payment requests by and dates of payments made to subrecipients, and documentation of all monitoring and sanctions of subrecipients, as applicable.
    - 2.16.2. The recipient must retain documentation of monitoring subrecipients, including any monitoring findings and corrective actions required.
    - 2.16.3. The recipient and its subrecipients must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR part 84.
  - 2.17. Other records specified by HUD. The recipient and subrecipients must keep other records specified by HUD.
  - 2.18. Confidentiality. In addition to meeting the specific confidentiality and security requirements for HMIS data, the recipient and its subrecipients must develop and implement written procedures to ensure:
    - 2.18.1. All records containing protected identifying information of any individual or family who applies for and/or receives Continuum of Care assistance will be kept secure and confidential;
    - 2.18.2. The address or location of any family violence project assisted with Continuum of Care funds will not be made public, except with written authorization of the person responsible for the operation of the project; and
    - 2.18.3. The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with State and local laws regarding privacy and obligations of confidentiality;
  - 2.19. Period of record retention. All records pertaining to Continuum of Care funds must be retained for the greater of five (5) years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.
    - 2.19.1. Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for five (5) years after the expenditure of all funds from the grant under which the program participant was served; and
    - 2.19.2. Where Continuum of Care funds are used for the acquisition, new construction, or rehabilitation of a project site, records must be retained until fifteen (15) years after the date that the project site is first occupied, or used, by program participants.



Exhibit A

2.20. Access to records.

- 2.20.1. Federal Government rights. Notwithstanding the confidentiality procedures established under paragraph (2.18.) of this section, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the recipient and its subrecipients that are pertinent to the Continuum of Care grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period, but last as long as the records are retained.
- 2.20.2. Public rights. The recipient must provide citizens, public agencies, and other interested parties with reasonable access to records regarding any uses of Continuum of Care funds the recipient received during the preceding five (5) years, consistent with State and local laws regarding privacy and obligations of confidentiality and confidentiality requirements in this part.
- 2.21. Based on the continued receipt/availability of federal funds from HUD COC Program Competition Funding, over the grant period, the Contractor shall provide a permanent housing program that is targeted to serve fourteen (14) homeless individuals.
- 2.22. The Contractor shall support the primary goal of this program which is to facilitate the movement of homeless and chronically homeless individuals and families to permanent housing and maximum self-sufficiency.
- 2.23. The Contractor shall maintain adherence to federal and state financial and confidentiality laws, and agrees to comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the 2017 NOFA Project Application approved by HUD.
- 2.24. The Contractor shall provide services according to HUD regulations as outlined in Public Law 102-550 and 24 CFR Part 578: Continuum of Care Program and other written HUD policies and directives as appropriate.

Public Law 102-550 can be accessed at:

<https://www.congress.gov/public-laws/102nd-congress>

The Electronic Code of Federal Regulations can be accessed at:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=2bfae50cb70b6febaa82e6a7c0cf6b6b&mc=true&node=pt24.3.578&rgn=div5>

**3. Program Reporting Requirements**

3.1. The Contractor shall submit the following reports:

- 3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the subrecipient is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.3 Exhibit A; and
- 3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.

NH HMIS policy can be accessed at:

<http://www.nh-hmis.org>

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is



Exhibit A

required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.

- 3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by BHS.
- 3.4. The Contractor shall cooperate fully with and answer all questions of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.

**4. Contract Administration**

- 4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with Contractor performance.
- 4.3. The Contractor shall inform BHS of any staffing changes within thirty (30) days of the change.
- 4.4. Contract records shall be retained for a period of five (5) years or as required by state or federal law, following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and BHS.





Exhibit B

**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**1. Permanent Housing Program**

1.1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement pursuant to Exhibit A, Scope of Services, the State agrees to pay the Contractor an amount not to exceed Form P-37, Block 1.8, Price Limitation and for the time period specified below.

1.1.1. This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund:	0%
Federal Funds:	100%
CFDA #:	14.267
Grant Number:	NH0013L1T001710
Federal Agency:	U.S. Department of Housing & Urban Development (HUD)
Program Title:	Continuum of Care, Permanent Housing Program
Total Amount Continuum of Care;	
July 1, 2018 – June 30, 2019: not to exceed \$97,528	
Funds allocation under this agreement for Continuum of Care Program;	
Administrative Expenses:	\$2,334
Leasing Expenses:	\$0
Operating Expenses:	\$76,886
Rental Assistance:	\$0
Supportive Services:	<u>\$18,308</u>
Total program amount:	\$97,528

1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

**2. Reports**

2.1. As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

2.1.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with 2 CFR part 200 which can be accessed at:

[https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State at the following address:

NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301



**Exhibit B**

2.2. Where the Contractor is not subject to the requirements of 2 CFR part 200, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

**3. Project Costs; Payment Schedule; Review by the State**

3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of 2 CFR part 200.

3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 578.87(c).

3.3. The subrecipient must match all grant funds, except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources. Cash match must be used for the cost of activities that are eligible under subpart D of 24 CFR 578.

3.4. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578, and in compliance with the budget detail and narrative, as outlined in the 2017 NOFA Project Application approved by HUD, the State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of P.L. 102-550 and other applicable regulations.

3.4.1. Payment of Project Costs shall be made through the utilization of funds as provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount and time period not to exceed as specified above in section 1.1.1. Exhibit B.

3.4.2. Authorized expenses shall be those expenses as detailed in Exhibit B-1, Budget.

3.5. Schedule of Payments: Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor agrees to keep records of their activities related to Department programs and services, and shall provide additional financial information if requested by the State to verify expenses. Invoices shall be submitted promptly to the address listed above in section 2.1.1. Exhibit B.

3.6. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all



**Exhibit B**

payments made to date. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture.

- 3.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.

**4. Use Of Grant Funds**

- 4.1. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.
- 4.2. Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

**5. Expense Eligibility**

- 5.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize Continuum of Care Program agreement value specified in Exhibit B of this agreement from the HUD Continuum of Care Program, for contract services.

**5.1.1. Operating Expenses**

- 5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.
- 5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

**5.1.2. Supportive Services**

- 5.1.2.1. Eligible supportive services costs must comply with all HUD regulations in 24 CFR 578.53. Eligible services are available to those individuals actively participating in the permanent housing program.
- 5.1.2.2. Eligible costs include:
- 5.1.2.3. mental health services;
- 5.1.2.4. case management services;
- 5.1.2.5. salaries of Contractor staff providing supportive services;
- 5.1.2.6. reasonable one-time moving costs (truck rental and hiring a moving company);
- 5.1.2.7. child-care costs for establishing and operating child care;



Exhibit B

- 5.1.2.8. providing child-care vouchers for children from families experiencing homelessness (including meals, snacks, comprehensive and coordinated developmental activities);
  - 5.1.2.9. education services;
  - 5.1.2.10. employment assistance and job training skills;
  - 5.1.2.11. housing search and counseling services;
  - 5.1.2.12. legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing);
  - 5.1.2.13. outpatient health services; and
  - 5.1.2.14. transportation services and utility deposits.
  - 5.1.2.15. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.
- 5.1.3. Rental Assistance
- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
  - 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
  - 5.1.3.3. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
  - 5.1.3.4. Rental assistance will only be provided for a unit if the rent is reasonable. The Contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.
  - 5.1.3.5. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits.
  - 5.1.3.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
  - 5.1.3.7. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
  - 5.1.3.8. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require

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**Exhibit B**

program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid Re-Housing program component must be tenant based rental assistance.

- 5.1.3.9. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.1.3.10. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.1.3.11. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.

5.1.4. Administrative Costs

- 5.1.4.1. Administrative costs include:
  - 5.1.4.2. preparing program budgets;
  - 5.1.4.3. schedules and amendments;
  - 5.1.4.4. developing systems for assuring compliance with program requirements;
  - 5.1.4.5. developing interagency agreements and agreements with subrecipients and Contractors to carry out program activities;
  - 5.1.4.6. preparing reports and other documents related to the program for submission to HUD;
  - 5.1.4.7. evaluating program results against stated objectives;
  - 5.1.4.8. travel costs incurred for official business in carrying out the program;
  - 5.1.4.9. administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services) and;
  - 5.1.4.10. other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).

5.1.5. Leasing: Leasing may include leasing one structure or leasing units scattered throughout a community.

- 5.1.5.1. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Contractor.
- 5.1.5.2. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.
- 5.1.5.3. The Contractor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.
- 5.1.5.4. Property damages may only be paid from money paid to landlord for security deposits.
- 5.1.5.5. The Contractor cannot lease a building that it already owns to itself.



**Exhibit B**

- 5.1.5.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
  - 5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).
    - 5.2.1. The Contractor must match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.
    - 5.2.2. Match requirements are to be documented with each payment request.
  - 5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 5. Expense Eligibility, Exhibit B. The Contractor must have written approval from the State prior to billing for any other expenses.
  - 5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
  - 5.5. The Contractor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.
- 6. Contractor Financial Management System**
- 6.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
  - 6.2. The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3, Project Costs: Payment Schedule; Review by the State, of this Agreement.

Exhibit B-1 Budget

NH BUREAU OF HOMELESS AND HOUSING SERVICES  
Continuum of Care Program Payment Request Form  
2017 NOFA

**For BHHS use only**  
**Vendor # 154480 - B001**  
**Contract # 1057001 Line # 1**  
**Invoice: MS**  
**Descript: NH0013L1T001710**  
**Account: 010-042-7927-102-500731**  
**Amount \$**  
**Job #**  
**Amount \$**  
**Job #**  
**Amount \$**  
**Job #**

Provider Authorizing Signature

BHHS USE ONLY		
Amount	Initial	Date
\$ -	KS	
Amy O'Hara, Financial Manager		

LAKES REG MENTAL HEALTH/GENESIS BH MCGRATH ST PHP							
Service Period:							
7/1/18 - 6/30/19							
COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H
Activity Name	Activity Budget	Pymts requested/received	MATCH Previously Applied	Balance	Amount Requested This Invoice	Match applied this Invoice	Balance
Operations	\$ 76,886.00	\$ -		\$ 76,886.00	\$ -		\$ 76,886.00
Maintenance/ Repair				\$ -			\$ -
Property Taxes & Insurance				\$ -			\$ -
Building Security				\$ -			\$ -
Electricity, Gas, & Water				\$ -			\$ -
<u>Supportive Services:</u>							
Life Skills	\$ 18,308.00			\$ 18,308.00			\$ 18,308.00
Administration	\$ 2,334.00			\$ 2,334.00			\$ 2,334.00
25% Required Match	\$ 24,965.50			\$ 24,965.50			\$ 24,965.50
Total HUD Funding	\$ 97,528.00	\$ -		\$ 97,528.00			\$ 97,528.00
				Please Pay this Amount	\$ -		



**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

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6/6/18



- 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.



**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.



**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.

Contractor Name: *The Lakes Region mental Health Center, Inc.*

6/6/18  
Date

*Margaret M. Pritchard*  
Name: *Margaret M. Pritchard*  
Title: *Executive Director*



**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.

Contractor Name: *The Lakes Region Mental Health Center, Inc.*

6/6/18  
Date

*Margaret M. Pritchard*  
Name: *Margaret M. Pritchard*  
Title: *Executive Director*





**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 Order 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.

Contractor Name: *The Lakes Region Mental Health Center, INC.*

6/6/2018  
Date

*Margaret M. Pritchard*  
Name: *Margaret M. Pritchard*  
Title: *Executive Director*



**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

mp

6/6/18

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.

Contractor Name: The Lakes Region Mental Health Center, Inc.

6/6/2018  
Date

Margaret M. Pritchard  
Name: Margaret M. Pritchard  
Title: Executive Director

Exhibit G

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

Contractor Initials MP  
Date 6/6/18



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Contractor Name: *The Lakes Region Mental Health Center, Inc.*

6/6/2018  
Date

*Margaret M. Pritchard*  
Name: *Margaret M. Pritchard*  
Title: *Executive Director*



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.



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

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

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

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

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

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI





Exhibit I

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

**(6) Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



Exhibit I

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

Department of Health and Human Services  
The State

Signature of Authorized Representative

Name of Authorized Representative

Title of Authorized Representative

Date

The Lakes Region Mental Health Center, Inc.

Name of the Contractor

Signature of Authorized Representative

Name of Authorized Representative

Title of Authorized Representative

Date



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

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

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

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

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

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

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

Contractor Name: *The Lakes Region Mental Health Center, Inc.*

6/6/18  
Date

*Margaret M. Pritchard*  
Name: *Margaret M. Pritchard*  
Title: *Executive Director*



**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: 101410652
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: _____



DHHS Information Security Requirements

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A. Definitions

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

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

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

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



Exhibit K

DHHS Information Security Requirements

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

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

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

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

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



Exhibit K

DHHS Information Security Requirements

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

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

II. METHODS OF SECURE TRANSMISSION OF DATA

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





Exhibit K

DHHS Information Security Requirements

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

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

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

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

A. Retention

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



Exhibit K

DHHS Information Security Requirements

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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

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

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6/6/18



Exhibit K

DHHS Information Security Requirements

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

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6/6/18



Exhibit K

DHHS Information Security Requirements

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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.



Exhibit K

DHHS Information Security Requirements

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

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

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

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

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



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

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

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov

MP

6/6/18

# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE LAKES REGION MENTAL HEALTH CENTER, INC is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on July 14, 1969. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 64124




IN TESTIMONY WHEREOF,  
I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 1st day of May A.D. 2017.

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

William M. Gardner  
Secretary of State

Search Business Names

 [Back to Home \(/online/BusinessInquire\)](#)

Search Result

Business Name	Business ID	Homestate Name	Previous Name	Business Type	Principal Office Address	Registered Agent Name	Status
THE LAKES REGION MENTAL HEALTH CENTER, INC (/online/BusinessInquire/BusinessInformation?businessID=36903)	64124			Domestic Nonprofit Corporation	111 CHURCH ST, LACONIA, NH, 03246, USA	N/A	Good Standing

Page 1 of 1, records 1 to 1 of 1

[Back](#)

NH Department of State, 107 North Main St. Room 204, Concord, NH 03301 -- [Contact Us \(/online/Home/ContactUS\)](#)

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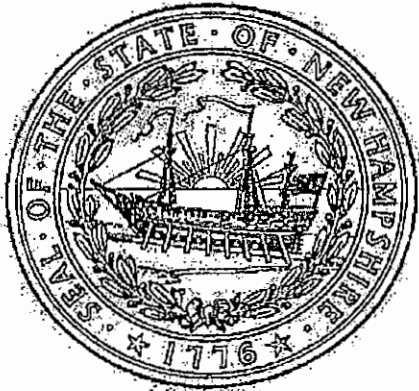
# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that GENESIS BEHAVIORAL HEALTH is a New Hampshire Trade Name registered to transact business in New Hampshire on May 26, 2000. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 348744



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 1st day of May A.D. 2017.

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

William M. Gardner  
Secretary of State

## Business Information

### Business Details

Business Name:	GENESIS BEHAVIORAL HEALTH	Business ID:	348744
Business Type:	Trade Name	Business Status:	Active
Expiration Date:	5/26/2020	Last Renewal Date:	Not Available
Business Creation Date:	05/26/2000	Name in State of Formation:	Not Available
Date of Formation in Jurisdiction:	05/26/2000		
Principal Office Address:	111 Church Street, Laconia, NH, 03246, USA	Mailing Address:	NONE
Business Email:	NONE	Phone #:	NONE
Notification Email:	NONE	Fiscal Year End Date:	NONE

### Principal Purpose

S.No	NAICS Code	NAICS Subcode
1	OTHER / BEHAVIORAL/MENTAL HEALTH SERVICES	

Page 1 of 1, records 1 to 1 of 1

### Trade Name Information

Business Name	Business ID	Business Status
---------------	-------------	-----------------

### Trade Name Owned By

Name	Title	Address
THE LAKES REGION MENTAL HEALTH CENTER, INC (/online/BusinessInquire/TradeNameInformation? businessID=36903)	Business	Good Standing

# CERTIFICATE OF VOTE

I, Deborah Pendergast, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of The Lakes Region Mental Health Center, 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 June 6, 2018:  
(Date)

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

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of  
the 6<sup>th</sup> day of June, 2018.  
(Date Contract Signed)

4. Margaret M. Pritchard is the duly elected Executive Director  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Deborah A Pendergast  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Belknap

The forgoing instrument was acknowledged before me this 6<sup>th</sup> day of June, 2018

By Deborah Pendergast  
(Name of Elected Officer of the Agency)

Dawn H LaCroy  
(Notary Public/Justice of the Peace)



**CERTIFICATE OF LIABILITY INSURANCE**

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

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

<b>PRODUCER</b> USI Insurance Services LLC 3 Executive Park Drive, Suite 300 Bedford, NH 03110 855 874-0123	CONTACT NAME: PHONE (A/C, No, Ext): <b>855 874-0123</b>	FAX (A/C, No):	
	E-MAIL ADDRESS:		
<b>INSURED</b> The Lakes Region Mental Health Center, Inc. dba Genesis Behavioral Health 111 Church Street Laconia, NH 03246	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : Ace American Insurance Company		22667
	INSURER B : AIM Mutual Insurance Company		33758
	INSURER C :		
	INSURER D :		
	INSURER E :		

**COVERAGES**                      **CERTIFICATE NUMBER:**                      **REVISION NUMBER:**

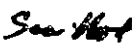
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE 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 SUBR INSR 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  GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		SVRD37803601	06/26/2018	06/26/2019	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$250,000 MED EXP (Any one person) \$25,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		CALH08618574	06/26/2018	06/26/2019	COMBINED SINGLE LIMIT (Ea accident) \$2,000,000 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 DED <input checked="" type="checkbox"/> RETENTION \$10000		XOOG2551654007	06/26/2018	06/26/2019	EACH OCCURRENCE \$4,000,000 AGGREGATE \$4,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	ECC60040002452018A	05/28/2018	05/28/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000
A	Professional Liability		OGLG2551662A007	06/26/2017	06/26/2019	\$5,000,000 Each Occ \$7,000,000 Aggregate

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

This certificate covers all operations usual and customary to the Insured's business.

RE: McGrath Street Permanent Housing Contract

<b>CERTIFICATE HOLDER</b> Department of Health and Human Services 129 Pleasant Street Concord, NH 03301	<b>CANCELLATION</b> 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 



# Lakes Region Mental Health Center

## ***Our Mission:***

Lakes Region Mental Health Center's mission is to provide integrated mental and physical health care for people with mental illness while creating wellness and understanding in our communities.

## ***Our Vision:***

Lakes Region Mental Health Center is the community leader providing quality, accessible and integrated mental and physical health services, delivered with dedication and compassion.

## ***Our Values:***

- |                     |  |
|---------------------|--|
| <b>R</b> espect     | We conduct our business and provide services with respect and professionalism.                             |
| <b>A</b> dvocacy    | We advocate for those we serve through enhanced collaborations, community relations and political actions. |
| <b>I</b> ntegrity   | We work with integrity and transparency, setting a moral compass for the agency.                           |
| <b>S</b> tewardship | We are effective stewards of our resources for our clients and our agency's health.                        |
| <b>E</b> xcellence  | We are committed to excellence in all programming and services.  |

*(Revised & Approved by the Board of Directors, 9/15/2015)*

The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health

FINANCIAL STATEMENTS

June 30, 2017

The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
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June 30, 2017

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Statement of Functional Public Support and Revenues	14
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**Kittell Branagan & Sargent**

*Certified Public Accountants*

Vermont License # 167

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health

We have audited the accompanying financial statements of The Lakes Region Mental Health Center, Inc. d/b/a Genesis Behavioral Health (a nonprofit organization) which comprise the statement of financial position as of June 30, 2017, and the related statement of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

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

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

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



To the Board of Directors  
of The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
Page 2

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Lakes Region Mental Health Center, Inc. d/b/a Genesis Behavioral Health as of June 30, 2017, 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.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Analysis of Accounts Receivables, the Analysis of BBH Revenues, Receipts & Receivables and schedules of functional public support, revenues and expenses on pages 12-15 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Kittell, Braragan + Sargent*

St. Albans, Vermont  
September 20, 2017

The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
STATEMENT OF FINANCIAL POSITION  
June 30, 2017

ASSETS

CURRENT ASSETS

Cash	\$ 936,800
Investments	1,566,859
Accounts receivable (net of \$561,500 allowance)	1,305,910
Prepaid expenses and other current assets	<u>84,859</u>
TOTAL CURRENT ASSETS	<u>3,894,428</u>

PROPERTY AND EQUIPMENT - NET	<u>2,563,005</u>
------------------------------	------------------

OTHER ASSETS

Restricted cash	<u>29,491</u>
-----------------	---------------

TOTAL ASSETS	<u>\$ 6,486,924</u>
--------------	---------------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 168,098
Current portion long-term debt	28,838
Deferred income	37,578
Accrued vacation	356,350
Accrued expenses	<u>744,680</u>
TOTAL CURRENT LIABILITIES	<u>1,335,544</u>

LONG-TERM DEBT, less current portion

Notes and Bonds Payable	1,640,963
Less: unamortized debt issuance costs	<u>(94,441)</u>
TOTAL LONG-TERM LIABILITIES	<u>1,546,522</u>

TOTAL LIABILITIES	<u>2,882,066</u>
-------------------	------------------

NET ASSETS

Temporarily restricted	57,109
Unrestricted	<u>3,547,749</u>
TOTAL NET ASSETS	<u>3,604,858</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,486,924</u>
----------------------------------	---------------------

See Notes to Financial Statements

The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
For the Year Ended June 30, 2017

	<u>Unrestricted Funds</u>	<u>Temporarily Restricted Funds</u>	<u>All Funds</u>
<b>PUBLIC SUPPORT AND REVENUES</b>			
Public support -			
Federal	\$ 636,413	\$ 57,275	\$ 693,688
State of New Hampshire - BBH	324,586	-	324,586
Other public support	<u>276,055</u>	<u>-</u>	<u>276,055</u>
Total Public Support	<u>1,237,054</u>	<u>57,275</u>	<u>1,294,329</u>
Revenues -			
Program service fees	11,606,472	-	11,606,472
Rental income	74,839	-	74,839
Other revenue	27,857	-	27,857
Net assets released from restriction	<u>13,982</u>	<u>(13,982)</u>	<u>-</u>
Total Revenues	<u>11,723,150</u>	<u>(13,982)</u>	<u>11,709,168</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUES</b>	<u>12,960,204</u>	<u>43,293</u>	<u>13,003,497</u>
<b>EXPENSES</b>			
BBH funded program services -			
Children Services	2,748,406	-	2,748,406
Multi-service	5,630,827	-	5,630,827
ACT	1,168,297	-	1,168,297
Emergency Services	845,930	-	845,930
Housing Services	227,175	-	227,175
Non-Eligible	795,996	-	795,996
Non-BBH funded program services	<u>1,309,761</u>	<u>-</u>	<u>1,309,761</u>
<b>TOTAL EXPENSES</b>	<u>12,726,392</u>	<u>-</u>	<u>12,726,392</u>
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	233,812	43,293	277,105
<b>OTHER INCOME</b>			
Investment income	<u>229,666</u>	<u>-</u>	<u>229,666</u>
<b>TOTAL INCREASE IN NET ASSETS</b>	463,478	43,293	506,771
<b>NET ASSETS, beginning</b>	<u>3,084,271</u>	<u>13,816</u>	<u>3,098,087</u>
<b>NET ASSETS, ending</b>	<u>\$ 3,547,749</u>	<u>\$ 57,109</u>	<u>\$ 3,604,858</u>

See Notes to Financial Statements.

The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2017

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase in net assets	\$ 506,771
Adjustments to reconcile to net cash provided by operations:	
Depreciation	121,709
Unrealized loss on investments	(147,173)
(Increase) decrease in:	
Accounts receivable	(242,580)
Prepaid expenses	(18,619)
Restricted Cash	(4,743)
Increase (decrease) in:	
Accounts payable & accrued liabilities	492,849
Deferred income	<u>7,162</u>
 <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	 <u>715,376</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of property and equipment	(213,097)
Net investment activity	<u>(74,572)</u>
 <b>NET CASH (USED) IN INVESTING ACTIVITIES</b>	 <u>(287,669)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Debt issuance costs	(94,441)
Principal payments on long-term debt	<u>(30,857)</u>
 <b>NET CASH (USED) IN FINANCING ACTIVITIES</b>	 <u>(125,298)</u>
 NET INCREASE IN CASH	 302,409
CASH AT BEGINNING OF YEAR	<u>634,391</u>
CASH AT END OF YEAR	<u>\$ 936,800</u>
 <b>SUPPLEMENTAL DISCLOSURE</b>	
Cash Payments for Interest	<u>\$ 22,471</u>
Capital purchases acquired through issuance of long-term debt	<u>\$ 1,284,493</u>

See Notes to Financial Statements

The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Lakes Region Mental Health Center, Inc. (the Center) d/b/a Genesis Behavioral Health is a not-for-profit corporation, organized under New Hampshire law to provide services in the areas of mental health, and related non-mental health programs; it is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. In addition, the Center qualifies for the charitable contribution deduction under Section 170 (b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Depreciation

The cost of property, equipment and leasehold improvements is depreciated over the estimated useful life of the assets using the straight line method. Estimated useful lives range from 3 to 40 years.

State Grants

The Center receives a number of grants from and has entered into various contracts with the State of New Hampshire related to the delivery of mental health services.

Vacation Pay and Fringe Benefits

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

Revenue

Revenue from federal, state and other sources is recognized in the period earned.

Client Service Revenue

The Center recognizes client service revenue relating to services rendered to clients that have third-party payer coverage and are self-pay. The Center receives reimbursement from Medicare, Medicaid and Insurance Companies at defined rates for services to clients covered by such third-party payer programs. The difference between the established billing rates and the actual rate of reimbursement is recorded as allowances when received. For services rendered to uninsured clients (i.e., self-pay clients), revenue is recognized on the basis of standard or negotiated discounted rates. At the time services are rendered to self-pay clients, a provision for bad debts is recorded based on experience and the effects of newly identified circumstances and trends in pay rates. Client service revenue (net of contractual allowances and discounts but before taking account of the provision for bad debts) recognized during the year ended June 30, 2017 totaled \$10,507,519, of which \$10,308,093 was revenue from third-party payers and \$199,426 was revenue from self-pay clients.

The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Third Party Contractual Arrangements

A significant portion of patient revenue is derived from services to patients insured by third-party payors. The center receives reimbursement from Medicare, Medicaid, Blue Cross, and other third-party insurers at defined rates for services rendered to patients covered by these programs. The difference between the established billing rates and the actual rate of reimbursement is recorded as allowances when recorded. A provision for estimated contractual allowances is provided on outstanding patient receivables at the balance sheet date.

Temporarily Restricted Funds

Specific purpose funds are used to differentiate resources, the use of which is restricted by donors, from resources of general funds on which the donors place no restriction or that arise as a result of the operations of the Center for its stated purposes. Specific purpose contributions and other donor-restricted resources are recorded as additions to temporarily restricted net assets at the time they are received and as released from restrictions when expended for the purpose for which they were given. The earnings from these funds will be used to fund operations. For the year ending June 30, 2017 \$13,982 was released from restrictions.

Accounts Receivable

Accounts receivable are recorded based on the amount billed for services provided, net of respective allowances.

Policy for Evaluating Collectability of Accounts Receivable

In evaluating the collectability of accounts receivable, the Center analyzes past results and identifies trends for each major payer source of revenue for the purpose of estimating the appropriate amounts of the allowance for doubtful accounts. Data in each major payer source is regularly reviewed to evaluate the adequacy of the allowance for doubtful accounts. Specifically, for receivables relating to services provided to clients having third-party coverage, an allowance for doubtful accounts and a corresponding provision for bad debts are established for amounts outstanding for an extended period of time and for third-party payers experiencing financial difficulties; for receivables relating to self-pay clients, a provision for bad debts is made in the period services are rendered based on experience indicating the inability or unwillingness of clients to pay amounts for which they are financially responsible.

Based on management's assessment, the Center provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Center has used reasonable collection efforts are written off through a change to the valuation allowance and a credit to accounts receivable.

The allowance for doubtful accounts was \$561,500 and \$411,500 for the years ended June 30, 2017 and 2016. Total patient accounts receivable increased to \$1,541,627 as of June 30, 2017 from \$1,237,593 at June 30, 2016. As a result of this increase and changes to payer mix present at year end the allowance as a percentage of total accounts receivable increased from 33% to 36% of total patient accounts receivable.

The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising

Advertising costs are expensed as incurred. Total costs were \$78,122 at June 30, 2017 and consisted of advertising costs of \$35,113 and recruitment costs of \$43,009.

NOTE 2 PROPERTY AND EQUIPMENT

The Center elects to capitalize all purchases with a useful life of greater than one year and a cost of \$1,000 or more. Property and equipment, at cost, consists of the following:

Land, buildings and improvements	\$ 2,711,865
Computer equipment	903,933
Furniture, fixtures and equipment	1,548,089
Vehicles	139,738
Construction in progress	<u>1,335,815</u>
	6,639,440
Accumulated depreciation	<u>(4,076,435)</u>
NET BOOK VALUE	<u>\$ 2,563,005</u>

NOTE 3 ACCOUNTS RECEIVABLE

ACCOUNTS RECEIVABLE – TRADE

Due from clients	\$ 151,742
Receivable from insurance companies	477,209
Medicaid receivables	692,650
Medicare receivables	<u>220,026</u>
	1,541,627
Allowance for doubtful accounts	<u>(561,500)</u>
Total Receivable - Trade	<u>980,127</u>

The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

NOTE 3      ACCOUNTS RECEIVABLE (continued)

ACCOUNTS RECEIVABLE – OTHER

Housing Rent	20,708
HUD	55,635
Lakes Region General Hospital	102,831
Laconia School District	1,450
Grafton County	11,500
Mount Prospect Academy	3,900
Town Appropriations	46,120
NFI North, Inc.	2,125
SAMSHA	53,176
BBH - Bureau of Behavioral Health	10,370
Other Grants	<u>17,968</u>
Total Receivable - Other	<u>325,783</u>

TOTAL ACCOUNTS RECEIVABLE      \$ 1,305,910

NOTE 4      LINE OF CREDIT

As of June 30, 2017, the Center had available a line of credit with an upper limit of \$1,000,000 with a local area bank. At that date, \$-0- had been borrowed against the line of credit. These funds are available at a variable rate of interest, with a floor no less than 4.0% per annum. The availability under this line will be limited to 70% of the current market value of the Vanguard Funds which have been pledged to the local area bank. This line of credit expires June 9, 2019, and is secured by all business assets.

NOTE 5      COMMITMENTS

The corporation leases real estate and equipment under various operating leases. Minimum future rental payments under non cancelable operating leases as of June 30, 2017 for each of the next four years and in the aggregate are:

June 30,	Amount
2018	\$ 104,293
2019	12,010
2020	1,608
2021	1,608
2022	536

Total rent expense for the year ended June 30, 2017, including rent expense for leases with a remaining term of one year or less was \$443,768.



The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

NOTE 6 EMPLOYEE BENEFIT PLAN

The Center has the option to make contributions to a defined contribution 403(b) plan on behalf of its employees. This program covers substantially all full-time employees. During the year ended June 30, 2017 the total contributions into the plan were \$74,235. Total administrative fees paid into the plan for the year ended June 30, 2017 were \$9,525.

NOTE 7 RESTRICTED CASH

The Center maintains restricted depository accounts. At the balance sheet date the amounts are as follows:

Rural Development *	<u>\$ 29,491</u>
---------------------	------------------

\* Balance will accumulate per loan agreement to \$47,448 at a required monthly deposit of \$395.

NOTE 8 LONG-TERM DEBT

As of June 30, 2017, long-term debt consisted of the following:

5% mortgage note payable - Rural Development due in monthly aggregate installments of \$3,357 (including principal and interest) secured by land and buildings through June, 2027.	\$ 315,560
5% mortgage note payable - Rural Development due in monthly installments of \$597 (including principal and interest) secured by land and buildings through December, 2030.	69,748
4.43% bond payable - Meredith Village Savings Bank due in full in June, 2019. Secured by building.	826,250
2.97% bond payable - Meredith Village Savings Bank due in monthly installments of \$19,234 (principal and interest) beginning in June 2019. Secured by building through June, 2047. As of June 30, 2017 the bond is not yet full drawn. Maximum amount to draw is \$4,373,750.	<u>458,243</u>
Total long-term debt before unamortized debt issuance costs	1,669,801
Unamortized debt issuance costs	<u>(94,441)</u>
Total long-term debt	1,575,360
Less: Current Portion	<u>(28,838)</u>
Long-term debt, excluding current installments	<u>\$ 1,546,522</u>

The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

NOTE 8 LONG-TERM DEBT (continued)

Expected maturities for the next five years are as follows:

Year Ending June 30,		
2018	\$	28,838
2019		930,313
2020		40,806
2021		42,705
2022		44,696
Thereafter		582,443
	<b>\$</b>	<b>1,669,801</b>

NOTE 9 CONTINGENT LIABILITIES

The Center receives money under various State and Federal grants. Under the terms of these grants, the Center is required to use the money within the grant period for purposes specified in the grant proposal and is subject to compliance reviews and audits by the grantor agencies. It is the opinion of management that any liability, resulting from future grantor agency audits of completed grant contracts, would not be material in relation to the overall financial statements.

NOTE 10 INVESTMENTS

Investments consist of amounts invested in various Vanguard Equity and Bond Funds. At June 30, 2017, the status of these funds were as follows:

	Cost	Unrealized Gain (Loss)	Market
Large Blend	\$ 371,956	\$ 157,978	\$ 529,934
Health	217,378	55,472	272,850
Large Growth	158,948	(1,536)	157,412
Mid-Cap Value	183,788	124,744	308,532
Short-Term Bond	202,827	95,304	298,131
	<b>\$ 1,134,897</b>	<b>\$ 431,962</b>	<b>\$ 1,566,859</b>

The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

NOTE 10 INVESTMENTS (continued)

The related unrealized gain (losses) have been included in the investment income line on the accompanying statement of activities. Investment income is as follows:

Interest and Dividends	\$ 31,181
Realized Gains	51,312
Unrealized Loss	<u>147,173</u>
	<u>\$ 229,666</u>

NOTE 11 FAIR VALUE MEASUREMENTS

Professional accounting standards require a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under these professional accounting standards are described below:

Basis of Fair Value Measurement

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

All investments are categorized as Level 1 and recorded at fair value, as of June 30, 2017. As required by professional accounting standards, investment assets are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement.

The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

NOTE 12      CONCENTRATIONS OF CREDIT RISK

At June 30, 2017, the carrying amount of the cash deposits is \$966,291 and the bank balance totaled \$1,082,777. Of the bank balance, \$500,330 was insured by Federal Deposit Insurance and \$582,447 was uninsured.

The Center grants credit without collateral to its clients, most of who are area residents and are insured under third-party payor agreements. The mix of receivables due from clients and third-party payors at June 30, 2017 is as follows:

	-
Due from clients	10 %
Insurance companies	31
Medicaid	45
Medicare	<u>14</u>
	<u>100 %</u>

NOTE 13      SUBSEQUENT EVENTS

In accordance with professional accounting standards, the Center has evaluated subsequent events through September 20, 2017 which is the date the financial statement was available to be issued. All events requiring recognition as of June 30, 2017, have been incorporated into the financial statements herein.

**SUPPLEMENTARY INFORMATION**

The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
ANALYSIS OF ACCOUNTS RECEIVABLE  
For the Year Ended June 30, 2016

	<u>Accounts Receivable Beginning of Year</u>	<u>Gross Fees</u>	<u>Contractual Allowances and Other Discounts Given</u>	<u>Cash Receipts</u>	<u>Accounts Receivable End of Year</u>
CLIENT FEES	\$ 42,052	\$ 1,456,193	\$ (1,256,767)	\$ 89,736	\$ 151,742
BLUE CROSS / BLUE SHIELD	148,016	699,912	(396,164)	255,526	196,238
MEDICAID	581,107	14,434,090	(5,348,017)	8,974,530	692,650
MEDICARE	162,541	1,411,929	(816,390)	538,054	220,026
OTHER INSURANCE	303,877	860,182	(537,449)	345,639	280,971
ALLOWANCE FOR DOUBTFUL ACCOUNTS	<u>(411,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(561,500)</u>
TOTAL	<u>\$ 826,093</u>	<u>\$ 18,862,306</u>	<u>\$ (8,354,787)</u>	<u>\$ 10,203,485</u>	<u>\$ 980,127</u>

The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
ANALYSIS OF BBH REVENUES, RECEIPTS AND RECEIVABLES  
For the Year Ended June 30, 2016

Receivable (Deferred Income) From BBH Beginning of Year	BBH Revenues Per Audited Financial Statements	Receipts for Year	Receivable (Deferred Income) From BBH End of Year
<u>\$ 1,503</u>	<u>\$ 324,586</u>	<u>\$ (315,719)</u>	<u>\$ 10,370</u>

CONTRACT YEAR, June 30, 2017

Analysis of Receipts Date of Receipt Deposit Date	Amount
07/01/16	\$ 463
07/20/16	650
09/08/16	148
09/12/16	1,040
10/26/16	147,564
11/14/16	488
11/28/16	57,563
12/07/17	990
12/28/16	37
01/03/17	23,643
01/09/17	31,561
01/12/17	148
01/13/17	1,040
01/17/17	148
01/26/17	1,040
01/31/17	195
02/17/17	148
02/21/17	1,535
03/02/17	23,374
03/09/17	148
03/25/17	8,887
04/21/17	148
05/04/17	8,887
05/24/17	8,887
06/06/17	396
06/21/17	8,887
06/23/17	2,330
Less: Federal Monies	<u>(14,626)</u>
	<u>\$ 315,719</u>

The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
STATEMENT OF FUNCTIONAL PUBLIC SUPPORT AND REVENUES  
For the Year Ended June 30, 2017

	Total Agency	Admin.	Total Programs	Children	Multi-Service	ACT	Emergency Services	Housing Services		Non Eligible	Non BBH Funded Programs
								Apts. S.L. McGrath	Apts. S.L. Summer		
<b>Program Service Fees:</b>											
Net Client Fee	\$ 199,426	\$ -	\$ 199,426	\$ (1,383)	\$ 106,325	\$ 15,007	\$ 8,668	\$ -	\$ -	\$ 70,809	\$ -
Blue Cross/Blue Shield	303,748	-	303,748	41,142	67,502	8,195	50,969	-	-	135,940	-
Medicaid	9,086,073	-	9,086,073	3,868,912	4,161,860	712,315	218,813	-	-	124,143	-
Medicare	595,539	-	595,539	-	456,351	32,034	2,126	-	-	105,028	-
Other Insurance	322,733	-	322,733	13,637	75,313	7,789	53,304	-	-	172,690	-
<b>Program Sales:</b>											
Service	1,096,953	-	1,098,953	11,006	30,395	-	-	-	-	10,810	1,046,942
<b>Public Support - Other:</b>											
United Way	634	634	-	-	-	-	-	-	-	-	-
Local/County Government	155,020	-	155,020	-	-	-	117,020	-	-	38,000	-
Donations/Contributions	63,478	62,908	570	570	-	-	-	-	-	-	-
Other Public Support	56,923	15,171	41,752	6,991	33,576	435	390	-	-	225	135
<b>Federal Funding:</b>											
HUD Grant	128,659	-	128,659	-	-	-	-	45,171	83,488	-	-
Other Federal Grants	507,754	85,099	422,655	3,336	7,525	1,397	1,256	-	-	589	408,552
Rental Income	74,839	1,700	73,139	-	3,751	750	-	31,173	37,229	39	197
<b>DBH &amp; DS:</b>											
Community Mental Health	323,664	-	323,664	1,943	2,551	225,000	94,170	-	-	-	-
DCYF	922	-	922	922	-	-	-	-	-	-	-
Interest Income	675	675	-	-	-	-	-	-	-	-	-
Other Revenues	27,182	20,866	6,316	434	5,002	20	144	-	-	716	-
Net Assets Released From Restriction	13,982	-	13,982	1,668	12,314	-	-	-	-	-	-
<b>Administration</b>	<b>12,980,204</b>	<b>187,053</b>	<b>12,773,151</b>	<b>3,949,178</b>	<b>4,962,495</b>	<b>1,002,942</b>	<b>546,860</b>	<b>76,344</b>	<b>120,717</b>	<b>658,789</b>	<b>1,455,826</b>
		<b>(187,053)</b>	<b>187,053</b>	<b>57,832</b>	<b>72,672</b>	<b>14,687</b>	<b>8,009</b>	<b>1,118</b>	<b>1,768</b>	<b>9,648</b>	<b>21,319</b>
<b>TOTAL PUBLIC SUPPORT AND REVENUES</b>	<b>\$ 12,960,204</b>	<b>\$ -</b>	<b>\$ 12,960,204</b>	<b>\$ 4,007,010</b>	<b>\$ 5,035,167</b>	<b>\$ 1,017,629</b>	<b>\$ 554,869</b>	<b>\$ 77,482</b>	<b>\$ 122,485</b>	<b>\$ 668,437</b>	<b>\$ 1,477,145</b>



The Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2017

	Total Agency	Administration	Total Programs	Children	Multi-Service	ACT	Emergency Services	Housing Services		Non-Eligible	Non BBH Funded Programs
								Apts. S.L. McGrath	Apts. S.L. Summer		
<b>Personnel Costs:</b>											
601 Salary and wages	\$ 8,138,234	\$ 724,520	\$ 7,413,714	\$ 1,821,850	\$ 3,113,388	\$ 728,572	\$ 527,274	\$ 24,757	\$ 35,372	\$ 503,481	\$ 858,042
602 Employee benefits	1,755,115	145,647	1,609,468	368,919	702,437	149,871	130,259	618	1,309	115,801	142,254
603 Payroll Taxes	552,683	46,292	508,401	115,528	221,198	50,535	37,110	1,653	2,845	35,236	42,284
621 Substitute Staff	314,052	9,237	304,815	1,780	292,701	3,260	1,564	-	-	5,380	150
<b>PROFESSIONAL FEES AND CONSULTANTS:</b>											
625 Accounting/audit fees	48,642	48,642	-	-	-	-	-	-	-	-	-
626 Legal fees	41,667	12,672	28,995	4,434	20,012	1,758	1,562	-	-	643	588
627 Other professional fees	111,413	46,442	64,971	2,231	432	105	-	-	-	56	62,147
<b>Staff Devel. &amp; Training:</b>											
631 Journals & publications	2,611	499	2,112	453	1,084	302	123	-	-	94	56
632 In-Service training	7,347	441	6,906	1,701	3,527	661	588	-	-	209	220
633 Conferences & conventions	57,391	2,755	54,636	15,538	27,232	1,998	2,901	-	-	1,069	5,998
634 Other staff development	40,970	3,693	37,277	7,937	19,272	6,338	2,459	-	-	628	643
<b>Occupancy costs:</b>											
641 Rent	139,528	28,015	111,513	35,769	59,375	3,328	2,522	-	-	7,120	3,399
642 Mortgage (Interest)	20,018	4	20,014	-	15,832	3,181	-	-	-	188	833
643 Heating Costs	22,805	128	22,677	6,032	5,245	506	170	4,802	4,819	1,005	298
644 Other Utilities	92,161	3,472	88,689	17,803	38,793	5,443	-	11,837	12,299	2,747	1,967
645 Maintenance & repairs	136,038	7,100	128,938	26,689	41,058	7,862	1,019	13,888	32,302	4,089	2,055
<b>Consumable Supplies:</b>											
651 Office	40,967	5,536	35,431	5,342	21,905	3,848	1,806	-	-	1,359	1,171
652 Building/household	28,774	902	27,872	3,712	9,512	1,725	1,203	2,172	8,187	808	573
656 Medical	4,451	21	4,430	228	798	229	54	-	-	18	3,103
657 Other	103,699	6,478	97,221	22,196	49,027	9,307	8,291	-	-	4,563	3,837
803 Depreciation-Equipment	40,967	1,298	39,671	5,935	23,400	1,673	1,021	1,483	3,735	1,488	338
804 Depreciation-Building	80,742	149	80,593	11,684	22,639	4,688	-	13,085	25,518	2,010	773
805 Equipment rental	21,988	2,034	19,954	8,148	8,904	1,189	1,698	-	-	1,531	464
806 Equipment maintenance	27,526	3,114	24,412	5,367	11,933	2,228	1,950	-	82	1,099	1,753
700 Advertising	78,122	17,048	61,074	7,713	38,535	6,768	2,798	-	-	1,901	2,343
710 Printing	1,182	184	998	132	302	57	50	-	-	31	406
720 Telephone/communications	350,547	15,978	334,569	101,345	152,255	19,519	30,564	524	64	21,071	9,227
730 Postage/shipping	17,889	1,141	16,748	4,194	8,597	1,370	1,219	-	-	842	526
<b>Transportation:</b>											
742 Staff	209,445	2,929	206,516	54,919	108,889	35,020	2,923	-	-	1,181	2,584
743 Clients	9,122	-	9,122	-	9,122	-	-	-	-	-	-
<b>Assist to Individuals:</b>											
751 Client services	81,824	-	81,824	18,785	42,607	60	-	-	97	256	-
<b>Insurance:</b>											
761 Malpractice/bonding	40,146	10,249	29,897	7,834	11,208	2,469	1,862	-	-	3,175	3,349
762 Vehicles	2,801	223	2,578	431	1,479	132	93	154	154	89	46
763 Comp. Property/liability	24,380	2,207	22,173	4,483	9,429	1,830	967	1,975	1,935	1,018	530
807 Membership Dues	38,962	1,151	37,811	872	1,903	379	340	-	-	191	34,126
802 In-Kind Expenses	16	-	16	-	-	-	18	-	-	-	-
810 Other Expenditures	59,725	45,329	14,396	3,548	7,012	1,321	1,333	-	-	766	418
801 Interest Expense	2,452	2,452	-	-	-	-	-	-	-	-	-
	<u>12,726,392</u>	<u>1,197,980</u>	<u>11,528,412</u>	<u>2,489,812</u>	<u>5,101,038</u>	<u>1,058,374</u>	<u>766,337</u>	<u>76,728</u>	<u>129,499</u>	<u>721,102</u>	<u>1,188,527</u>
900 Admin. Allocation	-	(1,197,980)	1,197,980	258,584	529,789	109,923	79,593	8,607	13,346	74,894	123,234
<b>TOTAL PROGRAM EXPENSES</b>	<b>\$ 12,726,392</b>	<b>\$ -</b>	<b>\$ 12,728,392</b>	<b>\$ 2,748,406</b>	<b>\$ 5,630,827</b>	<b>\$ 1,168,297</b>	<b>\$ 845,930</b>	<b>\$ 85,333</b>	<b>\$ 141,842</b>	<b>\$ 795,996</b>	<b>\$ 1,309,761</b>

Lakes Region Mental Health Center, Inc. (d/b/a Genesis Behavioral Health)  
 Board of Directors Listing  
 November, 2017

President	Deborah	Pendergast
Vice President	Joe	Driscoll
Co-Treasurer	Ed	McFarland
Co-Treasurer	Matt	Soza
Secretary	Jannine	Sutcliffe
Member at Large	Lori	Boelig
Member at Large	Gail	Mears
Member at Large	Carol	Pierce
Member at Large	Seifu	Ragassa
Member at Large	Cinda	Shepard
Member at Large	Kim	Sperry
Member at Large	James	Stapp
Member at Large	Susan	Stearns
Member at Large	Kelley	White, MD
Member at Large	Rev. Judith	Wright
Member at Large	Rick	Wyman
Committee Member	Jerry	Fleischman
Committee Member	Robyn	Curdle
Committee Member	Cinde	Warmington

3, October 2020	Executive (Chair), QI
2, October 2020	Executive, Governance (Chair)
1, October 2020	Finance (Co-Chair)
3, October 2020	Finance (Co-Chair), Development, QI, Governance
3, October 2020	Executive, Development
2, October 2018	Governance
1, October 2019	Governance
3, October 2019	QI
1, October 2019	QI
2, October 2019	QI
2, October 2019	Development (Chair)
1, October 2020	
1, October 2020	Development
3, October 2018	QI (Chair), Executive
1, October 2020	QI Committee
1, October 2019	Finance Committee
	Finance Committee
	Finance Committee
	Finance Committee

**CONTRACTOR NAME: Lakes Region Mental Health Center, Inc.**

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Chelsea Lemke	Director, Community Support Program	\$65,944	0%	0
Maureen Doyle	Program Manager	\$43,500	0%	0
Katy Hillsgrove	Housing Facilitator	\$36,920	0%	0

Subject: Continuum of Care, Permanent Housing Program (Cheshire County), SS-2019-BHHS-03-Perma-18

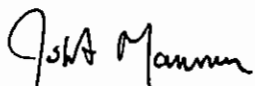
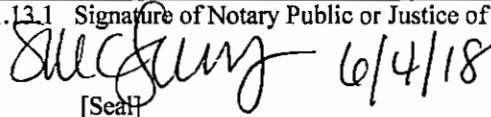
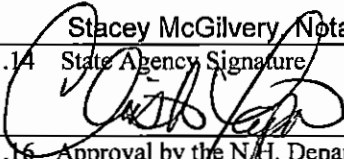
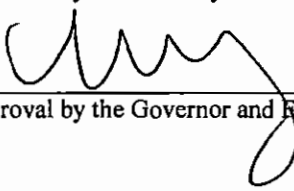
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

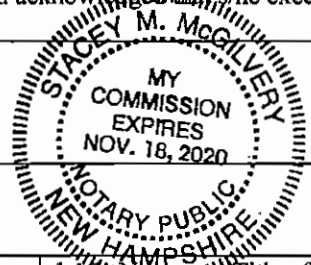
**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Southwestern Community Services, Inc.		1.4 Contractor Address 63 Community Way P.O. Box 603 Keene, NH 03431-0603	
1.5 Contractor Phone Number (603) 352-7512	1.6 Account Number 05-95-42-423010-7927-102-500731	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$82,804
1.9 Contracting Officer for State Agency E. Maria Reinemann, Esq. Director of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9330	
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  On <u>June 4, 2018</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  6/4/18 [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace Stacey McGilvery, Notary			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Christie Lapan, Associate Commissioner	
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: <u>Megan A. Kelly</u> <u>6/7/18</u>			
1.18 Approval by the Governor and Executive Council (if applicable)  By: _____ On: _____			



*gm*  
6/7/18



**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.





**SCOPE OF SERVICES**

**Permanent Housing Program**

**1. Provisions Applicable to All Services**

- 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.2. 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, through the Bureau of Housing Supports, has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. The Contractor shall submit a detailed description of the language assistance services they will provided to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date; submitted to:  
  
NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301
- 1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

**2. Scope of Services**

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) CoC Program, the Contractor shall provide a Permanent Housing, Permanent Supportive Housing or Rapid Re-Housing project which includes, but is not limited to:
  - 2.1.1. Utilization of the "Housing First" model, which shall at a minimum, not impose barriers to entering housing, beyond those required by regulation or statute, and will only terminate project participation for the most severe reasons once available options have been exhausted to help a participant maintain housing.  
  
"Housing First" details can be accessed at:  
<https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf>
  - 2.1.2. The development of a stabilization plan and crisis management plan with the participant, at intake and, at a minimum, annually. An ongoing Assessment of Housing and Supportive Services is required, with the ultimate goal being assistance to the participant in obtaining the skills necessary to live in the community independently.
  - 2.1.3. The CoC Program interim rule, 24 CFR Part 578, requires that all CoCs implement a Coordinated Entry System (CES) in collaboration with any projects funded by the CoC Program, ESG Program, and HOPWA Program.  
  
24 CFR Part 578 can be accessed at:  
[https://www.hudexchange.info/resources/documents/CoCProgramInterimRule\\_FormattedVersion.pdf](https://www.hudexchange.info/resources/documents/CoCProgramInterimRule_FormattedVersion.pdf)



Exhibit A

- 2.1.4. The subrecipient is required to comply with applicable civil rights laws, per CFR Section 578.93, addressing nondiscrimination and equal opportunity requirements. Section 578.93(a) states that the nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105 (a) apply. This includes, but is not limited to, the Fair Housing Act, Title VI of Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 (Section 504), and title II of the Americans with Disabilities Act.
- 2.1.5. The subrecipient must establish and maintain standard operating procedures for ensuring that CoC program funds are used in accordance with the requirements of 24 CFR 578 and must establish and maintain sufficient records to enable HUD and BHS to determine whether the subrecipient is meeting the requirements, including:
  - 2.1.5.1. Continuum of Care records: Each collaborative applicant must keep the following documentation related to establishing and operating a CoC;
  - 2.1.5.2. Evidence that the Board selected by the Continuum of Care meets the requirements of § 578.5(b);
  - 2.1.5.3. Evidence that the Continuum has been established and operated as set forth in subpart B of this part, including published agendas and meeting minutes, an approved Governance Charter that is reviewed and updated annually, a written process for selecting a board that is reviewed and updated at least once every five (5) years, evidence required for designating a single Homeless Management Information System (HMIS) for the Continuum, and monitoring reports of recipients and subrecipients; and
  - 2.1.5.4. Evidence that the Continuum has prepared the application for funds as set forth in § 578.9, including the designation of the eligible applicant to be the collaborative applicant.
- 2.2. Unified funding agency records (UFAs) that requested grant amendments from HUD, as set forth in § 578.105, must keep evidence that the grant amendment was approved by the Continuum. This evidence may include minutes of meetings at which the grant amendment was discussed and approved.
- 2.3. Homeless status. Acceptable evidence of homeless status is set forth in 24 CFR 576.500(b).
- 2.4. At risk of homelessness status. For those recipients and subrecipients that serve persons at risk of homelessness, the recipient or subrecipient must keep records that establish "at risk of homelessness" status of each individual or family who receives CoC homelessness prevention assistance. Acceptable evidence is found in 24 CFR 576.500(c).
- 2.5. Records of reasonable belief of imminent threat of harm. For each program participant who moved to a different CoC due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking under § 578.51(c)(3), each recipient or subrecipient of assistance under this part must retain:
  - 2.5.1. Documentation of the original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file. This may be written observation of the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; court records or law enforcement records; or written certification by the program participant to whom the violence occurred or by the head of household.
  - 2.5.2. Documentation of the reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking, which would include threats from a third-party, such as a friend or family member of the perpetrator of the violence. This may be written observation



Exhibit A

- by the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.
- 2.6. Annual income. For each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, the recipient or subrecipient must keep the following documentation of annual income:
- 2.6.1. Income evaluation form specified by HUD and completed by the recipient or subrecipient; and
  - 2.6.2. Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement) for the assets held by the program participant and income received before the date of the evaluation;
  - 2.6.3. To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period; or
  - 2.6.4. To the extent that source documents and third-party verification are unobtainable, the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the three (3) month period following the evaluation.
- 2.7. Program participant records. In addition to evidence of homelessness status or at-risk-of-homelessness status, as applicable, the recipient or subrecipient must keep records for each program participant that document:
- 2.7.1. The services and assistance provided to that program participant, including evidence that the recipient or Subrecipient has conducted an annual assessment of services for those program participants that remain in the program for more than a year and adjusted the service package accordingly, and including case management services as provided in § 578.37(a)(1)(ii)(F); and
  - 2.7.2. Where applicable, compliance with the termination of assistance requirement in § 578.91.
- 2.8. Housing standards. The recipient or subrecipient must retain documentation of compliance with the housing standards in § 578.75(b), including inspection reports.
- 2.9. Services provided. The recipient or subrecipient must document the types of supportive services provided under the recipient's program and the amounts spent on those services. The recipient or subrecipient must keep record that these records were reviewed at least annually and that the service package offered to program participants was adjusted as necessary.
- 2.10. Match. The recipient must keep records of the source and use of contributions made to satisfy the match requirement in § 578.73. The records must indicate the grant and fiscal year for which each matching contribution is counted. The records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.
- 2.11. Conflicts of interest. The recipient and its subrecipients must keep records to show compliance with the organizational conflict-of-interest requirements in § 578.95(c), the Continuum of Care board conflict-of-interest requirements in § 578.95(b), the other conflict requirements in §



Exhibit A

- 578.95(d), a copy of the personal conflict-of-interest policy developed and implemented to comply with the requirements in § 578.95, and records supporting exceptions to the personal conflict-of-interest prohibitions.
- 2.12. Homeless participation. The recipient or subrecipient must document its compliance with the homeless participation requirements under § 578.75(g).
  - 2.13. Faith-based activities. The recipient and its subrecipients must document their compliance with the faith-based activities requirements under § 578.87(b).
  - 2.14. Affirmatively Furthering Fair Housing. Recipients and subrecipients must maintain copies of their marketing, outreach, and other materials used to inform eligible persons of the program to document compliance with the requirements in § 578.93(c).
  - 2.15. Other federal requirements. The recipient and its subrecipients must document their compliance with the federal requirements in § 578.99, as applicable.
  - 2.16. Subrecipients and contractors.
    - 2.16.1. The recipient must retain copies of all solicitations of and agreements with subrecipients, records of all payment requests by and dates of payments made to subrecipients, and documentation of all monitoring and sanctions of subrecipients, as applicable.
    - 2.16.2. The recipient must retain documentation of monitoring subrecipients, including any monitoring findings and corrective actions required.
    - 2.16.3. The recipient and its subrecipients must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR part 84.
  - 2.17. Other records specified by HUD. The recipient and subrecipients must keep other records specified by HUD.
  - 2.18. Confidentiality. In addition to meeting the specific confidentiality and security requirements for HMIS data, the recipient and its subrecipients must develop and implement written procedures to ensure:
    - 2.18.1. All records containing protected identifying information of any individual or family who applies for and/or receives Continuum of Care assistance will be kept secure and confidential;
    - 2.18.2. The address or location of any family violence project assisted with Continuum of Care funds will not be made public, except with written authorization of the person responsible for the operation of the project; and
    - 2.18.3. The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with State and local laws regarding privacy and obligations of confidentiality;
  - 2.19. Period of record retention. All records pertaining to Continuum of Care funds must be retained for the greater of five (5) years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.
    - 2.19.1. Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for five (5) years after the expenditure of all funds from the grant under which the program participant was served; and
    - 2.19.2. Where Continuum of Care funds are used for the acquisition, new construction, or rehabilitation of a project site, records must be retained until fifteen (15) years after the date that the project site is first occupied, or used, by program participants.



Exhibit A

2.20. Access to records.

2.20.1. Federal Government rights. Notwithstanding the confidentiality procedures established under paragraph (2.18.) of this section, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the recipient and its subrecipients that are pertinent to the Continuum of Care grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period, but last as long as the records are retained.

2.20.2. Public rights. The recipient must provide citizens, public agencies, and other interested parties with reasonable access to records regarding any uses of Continuum of Care funds the recipient received during the preceding five (5) years, consistent with State and local laws regarding privacy and obligations of confidentiality and confidentiality requirements in this part.

2.21. Based on the continued receipt/availability of federal funds from HUD COC Program Competition Funding, over the grant period, the Contractor shall provide a permanent housing program that is targeted to serve twenty-eight (28) homeless individuals and families.

2.22. The Contractor shall support the primary goal of this program which is to facilitate the movement of homeless and chronically homeless individuals and families to permanent housing and maximum self-sufficiency.

2.23. The Contractor shall maintain adherence to federal and state financial and confidentiality laws, and agrees to comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the 2017 NOFA Project Application approved by HUD.

2.24. The Contractor shall provide services according to HUD regulations as outlined in Public Law 102-550 and 24 CFR Part 578: Continuum of Care Program and other written HUD policies and directives as appropriate.

Public Law 102-550 can be accessed at:

<https://www.congress.gov/public-laws/102nd-congress>

The Electronic Code of Federal Regulations can be accessed at:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=2bfae50cb70b6feb82e6a7c0cf6b6b&mc=true&node=pt24.3.578&rgn=div5>

3. Program Reporting Requirements

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the subrecipient is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.3 Exhibit A; and

3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.

NH HMIS policy can be accessed at:

<http://www.nh-hmis.org>

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is



Exhibit A

required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.

- 3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by BHS.
- 3.4. The Contractor shall cooperate fully with and answer all questions of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.

**4. Contract Administration**

- 4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with Contractor performance.
- 4.3. The Contractor shall inform BHS of any staffing changes within thirty (30) days of the change.
- 4.4. Contract records shall be retained for a period of five (5) years or as required by state or federal law, following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and BHS.



Exhibit B

**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**1. Permanent Housing Program**

1.1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement pursuant to Exhibit A, Scope of Services, the State agrees to pay the Contractor an amount not to exceed Form P-37, Block 1.8, Price Limitation and for the time period specified below.

1.1.1. This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund:	0%
Federal Funds:	100%
CFDA #:	14.267
Grant Number:	NH0019L1T001710
Federal Agency:	U.S. Department of Housing & Urban Development (HUD)
Program Title:	Continuum of Care, Permanent Housing Program
Total Amount Continuum of Care;	
July 1, 2018 – June 30, 2019: not to exceed \$82,804	
Funds allocation under this agreement for Continuum of Care Program;	
Administrative Expenses:	\$1,948
Leasing Expenses:	\$0
Operating Expenses:	\$80,856
Rental Assistance:	\$0
Supportive Services:	<u>\$0</u>
Total program amount:	\$82,804

1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

**2. Reports**

2.1. As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

2.1.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with 2 CFR part 200 which can be accessed at:

[https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State at the following address:

NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301





**Exhibit B**

2.2. Where the Contractor is not subject to the requirements of 2 CFR part 200, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

**3. Project Costs: Payment Schedule; Review by the State**

3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of 2 CFR part 200.

3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 578.87(c).

3.3. The subrecipient must match all grant funds, except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources. Cash match must be used for the cost of activities that are eligible under subpart D of 24 CFR 578.

3.4. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578, and in compliance with the budget detail and narrative, as outlined in the 2017 NOFA Project Application approved by HUD, the State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of P.L. 102-550 and other applicable regulations.

3.4.1. Payment of Project Costs shall be made through the utilization of funds as provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount and time period not to exceed as specified above in section 1.1.1. Exhibit B.

3.4.2. Authorized expenses shall be those expenses as detailed in Exhibit B-1, Budget.

3.5. Schedule of Payments: Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor agrees to keep records of their activities related to Department programs and services, and shall provide additional financial information if requested by the State to verify expenses. Invoices shall be submitted promptly to the address listed above in section 2.1.1. Exhibit B.

3.6. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all

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**Exhibit B**

payments made to date. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture.

- 3.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.

**4. Use Of Grant Funds**

- 4.1. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.
- 4.2. Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

**5. Expense Eligibility**

- 5.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize Continuum of Care Program agreement value specified in Exhibit B of this agreement from the HUD Continuum of Care Program, for contract services.

**5.1.1. Operating Expenses**

- 5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.
- 5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

**5.1.2. Supportive Services**

- 5.1.2.1. Eligible supportive services costs must comply with all HUD regulations in 24 CFR 578.53. Eligible services are available to those individuals actively participating in the permanent housing program.
- 5.1.2.2. Eligible costs include:
- 5.1.2.3. mental health services;
- 5.1.2.4. case management services;
- 5.1.2.5. salaries of Contractor staff providing supportive services;
- 5.1.2.6. reasonable one-time moving costs (truck rental and hiring a moving company);
- 5.1.2.7. child-care costs for establishing and operating child care;



**Exhibit B**

- 5.1.2.8. providing child-care vouchers for children from families experiencing homelessness (including meals, snacks, comprehensive and coordinated developmental activities);
  - 5.1.2.9. education services;
  - 5.1.2.10. employment assistance and job training skills;
  - 5.1.2.11. housing search and counseling services;
  - 5.1.2.12. legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing);
  - 5.1.2.13. outpatient health services; and
  - 5.1.2.14. transportation services and utility deposits.
  - 5.1.2.15. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.
- 5.1.3. Rental Assistance
- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
  - 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
  - 5.1.3.3. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
  - 5.1.3.4. Rental assistance will only be provided for a unit if the rent is reasonable. The Contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.
  - 5.1.3.5. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only; Property damages may be paid only from funds paid to the landlord from security deposits.
  - 5.1.3.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
  - 5.1.3.7. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
  - 5.1.3.8. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require

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Date 6/4/18



**Exhibit B**

program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid Re-Housing program component must be tenant based rental assistance.

- 5.1.3.9. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.1.3.10. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.1.3.11. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.
- 5.1.4. Administrative Costs
  - 5.1.4.1. Administrative costs include:
    - 5.1.4.2. preparing program budgets;
    - 5.1.4.3. schedules and amendments;
    - 5.1.4.4. developing systems for assuring compliance with program requirements;
    - 5.1.4.5. developing interagency agreements and agreements with subrecipients and Contractors to carry out program activities;
    - 5.1.4.6. preparing reports and other documents related to the program for submission to HUD;
    - 5.1.4.7. evaluating program results against stated objectives;
    - 5.1.4.8. travel costs incurred for official business in carrying out the program;
    - 5.1.4.9. administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services) and;
    - 5.1.4.10. other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).
- 5.1.5. Leasing: Leasing may include leasing one structure or leasing units scattered throughout a community.
  - 5.1.5.1. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Contractor.
  - 5.1.5.2. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.
  - 5.1.5.3. The Contractor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.
  - 5.1.5.4. Property damages may only be paid from money paid to landlord for security deposits.
  - 5.1.5.5. The Contractor cannot lease a building that it already owns to itself.



**Exhibit B**

- 5.1.5.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
- 5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).
  - 5.2.1. The Contractor must match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.
  - 5.2.2. Match requirements are to be documented with each payment request.
- 5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 5. Expense Eligibility, Exhibit B. The Contractor must have written approval from the State prior to billing for any other expenses.
- 5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
- 5.5. The Contractor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.

**6. Contractor Financial Management System**

- 6.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
- 6.2. The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3, Project Costs: Payment Schedule; Review by the State, of this Agreement.

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Exhibit B-1 Budget

Bureau of Housing Supports  
Continuum of Care Program  
Disbursement Request Form  
2017 NOFA

**For BHS use only**  
**Vendor # 177511 - R001**  
**Contract # Line # 1**  
**Invoice: SCSPH**  
**Descript: NH0019L1T001710**  
**Account: 010-042-7927-102-500731**  
**Add activities**  
**Amount \$**  
**Job #**  
**Amount \$**  
**Job #**

Authorizing Signature(s)

**For BHS use only**

Amount	SHP Int	Date
\$ -	KS	
Amy O' Hara, Financial Manager		Date

Southwestern Community Services Permanent Housing Project (Cheshire)							
Service Period:		Payment Month of:					
7/1/18-6/30/19							
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
Activity Name	Activity Budget	SHP Payments Pending/ Received	Matching Funds Applied	Budgeted Balance Available	Requested This Invoice	Match Applied This Invoice	New Available Balance
Operations Award	\$ 80,856.00	\$ -		\$ 80,856.00	\$ -		\$ 80,856.00
Maintenance/ Repair				\$ -			\$ -
Property Taxes & Insurance				\$ -			\$ -
Electricity, Gas & Water				\$ -			\$ -
Administration Award	\$ 1,948.00			\$ 1,948.00	\$ -		\$ 1,948.00
25% Required Match	\$ 21,188.00			\$ 21,188.00			\$ 21,188.00
<b>Total HUD funds</b>	<b>\$ 82,804.00</b>	<b>\$ -</b>		<b>\$ 82,804.00</b>			<b>\$ 82,804.00</b>
				Please Pay this Amount:	\$ -		



**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*

*6/4/18*



- 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.



**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.



**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



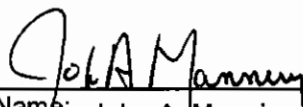
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
    - 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.

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

  
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

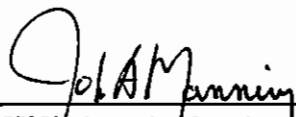
The undersigned certifies, to the best of his or her knowledge and belief, that:

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-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

  
Name: John A. Manning  
Title: Chief Executive Officer



**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.

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

  
Name: John A. Manning  
Title: Chief Executive Officer





**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

Contractor Initials

Handwritten initials "JM" in black ink, written over a horizontal line.

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

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.

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

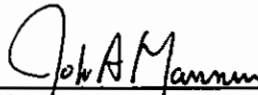
  
Name: John A. Manning  
Title: Chief Executive Officer

Exhibit G

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

Contractor Initials 



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

  
Name: John A. Manning  
Title: Chief Executive Officer



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.



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 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



Exhibit I

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

**(6) Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.





Exhibit I

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

Department of Health and Human Services  
 The State  
 \_\_\_\_\_  
 Signature of Authorized Representative  
 Christie Lagan  
 Name of Authorized Representative  
 Associate Commissioner  
 Title of Authorized Representative  
 6/16/18  
 Date

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  
 June 4, 2018  
 Date



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

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

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

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

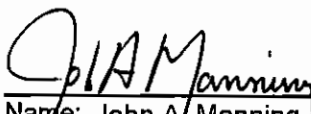
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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

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

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

  
Name: John A. Manning  
Title: Chief Executive Officer



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: _____



Exhibit K

DHHS Information Security Requirements

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A. Definitions

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

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

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

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

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

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

## I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

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

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



DHHS Information Security Requirements

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

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

II. METHODS OF SECURE TRANSMISSION OF DATA

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



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

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

### III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

#### A. Retention

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



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

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

**B. Disposition**

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

**IV. PROCEDURES FOR SECURITY**

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





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

*Jm*



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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doiit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

Handwritten initials "JM" in black ink.

DHHS Information Security Requirements



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

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

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

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

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



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

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

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov

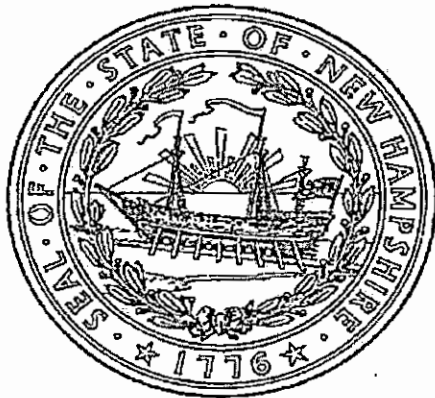
**State of New Hampshire**  
**Department of State**

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SOUTHWESTERN COMMUNITY SERVICES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 19, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 65514

Certificate Number : 0004080353



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 12th day of April A.D. 2018.

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, Clerk Secretary, 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 February 18, 2016:  
(Date)

**RESOLVED:** That the Chief Executive Officer  
(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 4th day of June, 2018.  
(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 4th day of June, 2018.

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

Stacey McGilvery  
Stacey McGilvery, Notary

(NOTARY SEAL)

Commission Expires: 11/18/2020



gm  
6/4/18



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
3/29/2018

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

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

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

**COVERAGES**

CERTIFICATE NUMBER: 1079306016

REVISION NUMBER:

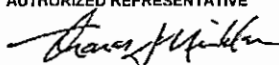
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE 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:			PHPK1668183	6/30/2017	6/30/2018	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	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			PHPK1668192	6/30/2017	6/30/2018	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"/> EXCESS LIAB <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB587872	6/30/2017	6/30/2018	EACH OCCURRENCE	\$ 2,000,000
							AGGREGATE	\$ 2,000,000
								\$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	3102800768	4/1/2018	4/1/2019	PER STATUTE	
							E.L. EACH ACCIDENT	\$ 500,000
							E.L. DISEASE - EA EMPLOYEE	\$ 500,000
							E.L. DISEASE - POLICY LIMIT	\$ 500,000
A	Professional Liability			PHPK1668183	6/30/2017	6/30/2018	\$1,000,000 per \$2,000,000 general	occurrence aggregate

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

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

**CERTIFICATE HOLDER****CANCELLATION**

NH -DHHS Brown Building 129 Pleasant Street Concord NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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# Southwestern Community Services

Southwestern Community Services (SCS), one of New Hampshire's five community action agencies, has served the needs of Cheshire and Sullivan county citizens since 1965. Our **history** began when President Lyndon Johnson commenced waging his war on poverty. As the battles continue, so do our efforts as advocates for those in need. Southwestern Community Services is a tax-exempt organization under section 501(c)3 of the Internal Revenue Code.

**Our vision:** SCS seeks to create and support a climate within the communities of southwestern New Hampshire wherein poverty is never accepted as a chronic or permanent condition of any person's life.

**Our mission:** 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 in close collaboration with local communities, SCS will provide leadership and support to develop resources, programs, and services to further aid this population.



*Financial Statements*

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**SOUTHWESTERN COMMUNITY SERVICES, INC.  
AND RELATED COMPANIES**

**FOR THE YEARS ENDED  
MAY 31, 2017 AND 2016  
AND  
INDEPENDENT AUDITORS' REPORT**

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MAY 31, 2017 AND 2016**

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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. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statements of financial position as of May 31, 2017 and 2016, and the related consolidated statements of cash flows, and notes to the consolidated financial statements for the years then ended, and the related consolidated statements of activities and functional expenses for the year ended May 31, 2017.

### **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 audits. We conducted our audits 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. and related companies as of May 31, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Southwestern Community Services, Inc. and related companies' 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 9, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Schedule of Functional Revenues and Expenses, and the Schedule of Revenues and Expenditures for the Electric Assistance Program are presented for purposes of additional analysis and are 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 October 11, 2017, 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.

*Leone McDonnell & Roberts  
Professional Association*

October 11, 2017

Wolfeboro, New Hampshire

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
MAY 31, 2017 AND 2016**

**ASSETS**

	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 947,175	\$ 1,188,826
Accounts receivable	1,360,685	1,102,367
Prepaid expenses	19,252	23,413
Notes receivable	112,000	112,000
Interest receivable	41,067	36,587
Total current assets	<u>2,480,179</u>	<u>2,463,193</u>
<b>PROPERTY</b>		
Land and buildings	13,335,396	14,237,257
Vehicles and equipment	703,635	813,172
Furniture and fixtures	25,756	40,986
Total property	<u>14,064,787</u>	<u>15,091,415</u>
Less accumulated depreciation	<u>4,579,760</u>	<u>5,446,011</u>
Property, net	<u>9,485,027</u>	<u>9,645,404</u>
<b>OTHER ASSETS</b>		
Investment in related parties	142,782	10,000
Due from related parties	219,108	292,525
Cash escrow and reserve funds	359,589	341,367
Security deposits	37,906	35,961
Other assets	384	384
Total other assets	<u>759,769</u>	<u>680,237</u>
Total assets	<u>\$ 12,724,975</u>	<u>\$ 12,788,834</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 166,495	\$ 155,247
Accrued expenses	233,842	146,363
Accrued payroll and payroll taxes	241,035	218,182
Other current liabilities	148,698	181,696
Refundable advances	238,345	201,064
Current portion of long term debt	211,313	381,611
Total current liabilities	<u>1,239,728</u>	<u>1,284,163</u>
<b>NONCURRENT LIABILITIES</b>		
Long term debt, less current portion shown above	<u>8,087,475</u>	<u>7,991,096</u>
Total liabilities	<u>9,327,203</u>	<u>9,275,259</u>
<b>NET ASSETS</b>		
Unrestricted	3,243,933	3,302,355
Temporarily restricted	153,839	211,220
Total net assets	<u>3,397,772</u>	<u>3,513,575</u>
Total liabilities and net assets	<u>\$ 12,724,975</u>	<u>\$ 12,788,834</u>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2017  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
<b>REVENUES AND OTHER SUPPORT</b>				
Government contracts	\$ 9,722,823	\$ -	\$ 9,722,823	\$ 9,060,110
Program service fees	1,862,236	-	1,862,236	2,030,772
Rental income	661,932	-	661,932	1,007,200
Developer income	265,000	-	265,000	254,004
Support	280,311	139,805	400,116	517,802
Fundraising	80,170	-	80,170	67,765
Interest income	6,699	-	6,699	4,710
Forgiveness of debt	90,148	-	90,148	61,209
Miscellaneous	140,537	-	140,537	264,795
In-kind contributions	162,966	-	162,966	215,867
	<u>13,252,822</u>	<u>139,805</u>	<u>13,392,627</u>	<u>13,484,234</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>				
	<u>197,186</u>	<u>(197,186)</u>	<u>-</u>	<u>-</u>
Total revenues, other support, and net assets released from restrictions	<u>13,450,008</u>	<u>(57,381)</u>	<u>13,392,627</u>	<u>13,484,234</u>
<b>EXPENSES</b>				
<b>Program services</b>				
Home energy programs	3,812,708	-	3,812,708	3,676,121
Education and nutrition	2,367,558	-	2,367,558	2,344,682
Homeless programs	2,056,525	-	2,056,525	2,177,885
Housing services	2,073,178	-	2,073,178	2,576,850
Economic development services	571,865	-	571,865	331,262
Other programs	963,917	-	963,917	782,112
Total program services	11,845,751	-	11,845,751	11,888,912
<b>Supporting activities</b>				
Management and general	1,776,106	-	1,776,106	1,602,254
Total expenses	<u>13,621,857</u>	<u>-</u>	<u>13,621,857</u>	<u>13,491,166</u>
<b>CHANGES IN NET ASSETS BEFORE (LOSS) GAIN ON SALE OF PROPERTY</b>	<u>(171,849)</u>	<u>(57,381)</u>	<u>(229,230)</u>	<u>(8,932)</u>
<b>(LOSS) GAIN ON SALE OF PROPERTY</b>	<u>(19,355)</u>	<u>-</u>	<u>(19,355)</u>	<u>759,643</u>
<b>GAIN ON INVESTMENT IN LIMITED PARTNERSHIPS</b>	<u>132,782</u>	<u>-</u>	<u>132,782</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	<u>(58,422)</u>	<u>(57,381)</u>	<u>(115,803)</u>	<u>752,711</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>3,302,355</u>	<u>211,220</u>	<u>3,513,575</u>	<u>2,350,940</u>
<b>NET ASSETS TRANSFERRED FROM LIMITED PARTNERSHIPS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,924</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>3,302,355</u>	<u>211,220</u>	<u>3,513,575</u>	<u>2,760,864</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 3,243,933</u>	<u>\$ 153,839</u>	<u>\$ 3,397,772</u>	<u>\$ 3,513,575</u>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MAY 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (115,803)	\$ 752,711
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation and amortization	415,720	597,297
Loss (gain) on sale of property	19,355	(759,643)
Gain on investment in limited partnerships	(132,782)	-
Forgiveness of debt	(90,148)	(61,209)
(Increase) decrease in assets:		
Accounts receivable	(258,318)	(190,538)
Prepaid expenses	4,161	31,980
Interest receivable	(4,480)	(4,480)
Due from related parties	73,417	(164,685)
Security deposits	(1,945)	59,036
Other assets	-	15,584
Increase (decrease) in liabilities:		
Accounts payable	11,248	(603,671)
Accrued expenses	87,479	(820)
Accrued payroll and payroll taxes	22,853	(91,390)
Other current liabilities	(32,998)	49,000
Refundable advances	37,281	(38,170)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>35,040</u>	<u>(408,998)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase) decrease in escrow funds	(18,222)	237,589
Proceeds from sale of property	6,000	4,286,378
Purchase of property	(247,598)	(297,570)
<b>NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES</b>	<u>(259,820)</u>	<u>4,226,397</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayments on bank line of credit	-	(249,953)
Proceeds from long term debt	106,019	34,182
Repayment of long term debt	(122,890)	(2,636,139)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(16,871)</u>	<u>(2,851,910)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(241,651)	965,489
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	1,188,826	197,247
<b>CASH TRANSFERRED FROM LIMITED PARTNERSHIPS</b>	-	26,090
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 947,175</u>	<u>\$ 1,188,826</u>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED MAY 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$ 141,285	\$ 253,726
<b>SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Property financed by long term debt	\$ 33,100	\$ -
Transfer of assets from newly consolidated LPs:		
Due from related parties	\$ -	\$ 40,000
Prepaid expenses	-	9,494
Land and buildings	-	3,097,594
Furniture and fixtures	-	28,666
Accumulated depreciation	-	(1,147,270)
Cash escrow and reserve funds	-	300,184
Security deposits	-	32,067
Total transfer of assets from newly consolidated LPs	\$ -	\$ 2,360,735
Transfer of liabilities from newly consolidated LPs:		
Accounts payable	\$ -	\$ 37,921
Accrued expenses	-	29,836
Long term debt	-	1,909,144
Total transfer of liabilities from newly consolidated LPs	\$ -	\$ 1,976,901
Transfer of net assets from newly consolidated LPs	\$ -	\$ 409,924

See Notes to Consolidated Financial Statements



**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED MAY 31, 2017  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2017 Total	2016 Total
Payroll	\$ 340,420	\$ 1,075,322	\$ 439,832	\$ 730,969	\$ 295,530	\$ 472,329	\$ 3,354,402	\$ 788,541	\$ 4,142,943	\$ 4,070,765
Payroll taxes	35,281	125,019	43,209	68,269	34,873	51,734	358,155	71,141	429,286	413,335
Employee benefits	127,766	355,513	170,674	271,958	67,322	213,776	1,207,009	47,209	1,254,218	1,120,567
Retirement	23,813	60,026	28,243	62,164	9,256	18,823	202,325	72,490	274,815	283,965
Advertising	-	7,461	2,489	1,315	1,114	17,017	29,396	121	29,517	33,432
Bank charges	-	1,438	60	3,885	-	-	5,183	8,944	12,127	13,837
Bad debt expense	-	-	-	-	-	-	-	-	-	27,660
Commercial subsidy	-	-	-	-	-	-	-	-	-	14,742
Computer cost	-	18,876	3,684	2,047	18,885	-	43,492	71,651	115,143	136,784
Contractual	295,313	13,334	64,355	61,418	25,339	71,879	531,638	55,626	587,264	521,327
Depreciation	-	27,104	108,291	119,250	-	14,245	288,890	146,830	415,720	597,297
Dues/registration	-	4,740	703	610	988	2,040	9,081	9,998	19,077	18,619
Duplicating	23	8,160	-	-	-	-	8,183	1,659	9,842	17,523
Insurance	9,007	17,398	23,302	46,697	11,299	7,855	115,558	31,617	147,175	169,624
Interest	-	7,063	8,754	5,728	-	2,015	23,560	117,725	141,285	253,726
Meeting and conference	1,871	288	8,183	10,894	851	3,517	23,802	25,520	49,122	91,582
Miscellaneous expense	1,148	603	2,406	130,835	1,740	24,855	161,587	6,747	168,334	195,315
Miscellaneous taxes	-	-	-	32,477	-	-	32,477	379	32,856	99,243
Equipment purchases	727	263	675	7,885	-	-	9,530	481	9,991	13,147
Office expense	5,306	17,095	6,358	4,796	10,084	14,307	57,946	15,405	73,351	70,256
Postage	68	331	102	14	1,038	99	1,652	22,677	24,329	25,403
Professional fees	2,673	-	2,500	44,515	-	-	49,688	84,653	134,341	140,599
Staff development and training	4,795	2,534	8,511	1,323	1,616	15,800	34,579	16,893	51,472	65,945
Subscriptions	-	-	-	845	-	-	845	1,552	2,397	2,293
Telephone	2,217	17,258	25,748	15,347	5,058	4,327	69,953	44,119	114,072	61,160
Travel	5,502	19,088	16,001	5,016	24,201	2,805	72,613	4,431	77,044	61,394
Vehicle	2,345	2,917	2,033	27,020	23,102	10,160	87,577	17,994	85,571	77,536
Rent	-	25,250	-	-	-	-	25,250	-	25,250	26,550
Space costs	-	217,475	234,349	365,323	2,500	1,200	820,847	113,725	934,572	889,970
Direct client assistance	2,954,453	180,038	858,065	52,808	37,269	15,134	4,097,767	-	4,097,767	3,741,723
In-kind expenses	-	162,986	-	-	-	-	162,986	-	162,986	215,867
<b>TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION</b>	<b>3,812,708</b>	<b>2,367,558</b>	<b>2,056,525</b>	<b>2,073,178</b>	<b>571,885</b>	<b>963,917</b>	<b>11,845,751</b>	<b>1,776,106</b>	<b>13,621,857</b>	<b>13,491,166</b>
Allocation of management and general expenses	571,863	354,983	308,347	310,844	65,743	144,528	1,776,106	(1,776,106)	-	-
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 4,384,371</b>	<b>\$ 2,722,541</b>	<b>\$ 2,364,872</b>	<b>\$ 2,384,022</b>	<b>\$ 637,628</b>	<b>\$ 1,108,445</b>	<b>\$ 13,621,857</b>	<b>\$ -</b>	<b>\$ 13,621,857</b>	<b>\$ 13,491,166</b>

See Notes to Consolidated Financial Statements

## **SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED MAY 31, 2017 AND 2016**

#### **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 Corporation, SCS Housing, Inc., SCS Development Corporation, SCS Housing Development, Inc., and various limited partnerships, as described below. 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 consolidated financial statements of Southwestern Community Services, Inc. and related companies have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principles.

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

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

- SCS Management Corporation
- SCS Housing, Inc.
- SCS Development Corporation
- SCS Housing Development, Inc.
  
- Drewsville Carriage House Associates, Limited Partnership (Drewsville)
- Jaffrey Housing Associates, Limited Partnership (Jaffrey)
- Troy Senior Housing Associates, Limited Partnership (Troy Senior)
- Keene East Side Senior Housing Associates, Limited Partnership (Keene East Side)
- North Walpole Village Housing Associates, Limited Partnership (North Walpole, 2016 only)
- Troy Common Associates, Limited Partnership (Troy, 2016 only)

- Peterborough/Finlay, LLC (Peterborough, 2016 only)
- Hinsdale Main Street Associates Limited Partnership (Hinsdale, 2016 only)

During the year ended May 31, 2016, the Organization sold North Walpole, Troy, Peterborough, and Hinsdale. All significant intercompany items and transactions have been eliminated from the basic consolidated 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, 2017 and 2016, the Organization had unrestricted and temporarily restricted net assets.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended May 31, 2016 from which the summarized information was derived.

**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**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for uncollectible accounts was estimated to be zero at May 31, 2017 and 2016. The Organization has no policy for charging interest on overdue accounts.

### **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 was \$112,000 and \$41,067, respectively at May 31, 2017 and \$112,000 and \$36,587, respectively at May 31, 2016.

### **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 years ended May 31, 2017 and 2016, approximately 73% and 67%, respectively, 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.

**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
Vehicles and equipment	5 - 10 Years
Furniture and fixtures	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**

Southwestern Community Services, Inc. and SCS Management Corporation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and are not private foundations. As such, they are exempt from income tax on their exempt function income.

SCS Housing, Inc., SCS Development Corporation and SCS Housing Development, Inc. are taxed as corporations. SCS Housing Inc. has federal net operating loss carryforwards totaling \$840,803 and \$808,894 at May 31, 2017 and 2016, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2027. SCS Development Corporation is taxed as a corporation and has federal net operating loss carryforwards totaling \$629 and \$658 at May 31, 2017 and 2016, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2020.

The tax effects of the carryforwards as related to deferred tax assets is as follows as of May 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Tax benefit from loss carryforwards	\$126,215	\$121,432
Valuation allowance	<u>(126,215)</u>	<u>(121,432)</u>
Deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

Drewsville, Jaffrey, Troy, Senior and Keene East Side are taxed as partnerships. Federal income taxes are not payable by, or provided for these entities. Earnings and losses are included in the partners' federal income tax returns based on their share of partnership earnings. Partnerships are required to file income tax returns with the State of New Hampshire and pay an income tax at the state's statutory rate.

Accounting Standard Codification No. 740, "Accounting for Income Taxes," established the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. Management has analyzed the Organization's tax position taken on its income tax returns for all open years (tax years ending May 31, 2014 – 2017), 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.

**NOTE 2**

**BANK LINE OF CREDIT**

The Organization has a \$250,000 revolving line of credit agreement with a bank. Interest is due monthly and is stated at the Wall Street Journal Prime Rate. The line is secured by all the Organization's assets. As of May 31, 2017 and 2016, the interest rate was 4%. There was no outstanding balance at May 31, 2017 and 2016.

**NOTE 3**

**LONG TERM DEBT**

The long term debt at May 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
1% mortgage payable to New Hampshire Housing in monthly installments for principal and interest of \$891 through August 2032. The note is secured by real estate of the Organization.	\$ 163,926	\$ 172,929
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	32,147
3.75% 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.	42,099	51,906
Non-interest bearing mortgage payable to New Hampshire Housing. 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.	244,505	250,000

Non-interest bearing mortgage payable to New Hampshire Housing. Payment is deferred for 30 years, through July 2032, unless there is surplus cash from which to make a payment, or until project is sold or refinanced. The note is secured by real estate of the Organization.	376,558	406,558
4.25% mortgage payable to a bank in monthly installments for principal and interest of \$1,875 through December 2016, with a balloon payment that was due January 2017. The note was amended during the year ended May 31, 2017 and is now due December 2026. Under the amendment, interest rate is 4.94% and monthly installments for principal and interest are \$1,957. The note is secured by real estate of the Organization.	177,050	192,893
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.	2,280,750	2,312,802
Non-interest bearing note payable to Cheshire County in New Hampshire. Payment is not necessary unless Organization defaults on contract. The note is secured by real estate of the Organization.	460,000	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 was due. The remaining balance is still outstanding at May 31, 2017 and is classified as current. The note is secured by real estate of the Organization.	63,000	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 was due. The remaining balance is still outstanding at May 31, 2017 and is classified as current. The note is secured by real estate of the Organization.	45,000	45,000



<p>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, 2017 and 2016. The note is secured by real estate of the Organization.</p>	426,734	439,386
<p>5.19% note payable to a bank in monthly installments for principal and interest of \$889 through May 2021. The note is secured by real estate of the Organization.</p>	105,495	110,853
<p>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 is 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.</p>	175,000	200,000
<p>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 is 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.</p>	105,000	120,000
<p>Non-interest bearing note payable to New Hampshire Finance Authority in annual payments in the amount of 50% of annual surplus cash through July 2042 at which time the remaining balance is due. The note is secured by real estate of the Organization.</p>	794,189	794,189
<p>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.</p>	382,818	402,966
<p>3.99% note payable to a bank in monthly installments for principal and interest of \$355 through May 2018. The note is secured by a vehicle of the Organization.</p>	4,070	8,401

6.99% note payable to a finance company in monthly installments for principal and interest of \$652 through June 2019. The note is secured by a vehicle.	15,688	22,167
5.54% note payable to a finance company in monthly installments for principal and interest of \$543 through August 2022. The note is secured by a vehicle.	29,572	-
Jaffrey - 30-year deferred note payable to the Town of Jaffrey, New Hampshire. Payment of principal and accrued interest at 1% are deferred until the note matures in June 2027. The note is secured by land and buildings. The balance included cumulative accrued interest of \$49,796.	300,645	297,668
Jaffrey - 6% note payable to a bank in monthly installments for principal and interest of \$485 through August 2027. The note is secured by land and buildings.	43,533	46,592
Troy Senior - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in June 2029. The note is secured by real estate of the Organization.	640,000	640,000
Troy Senior - Non-interest bearing note payable to New Hampshire Housing Finance Authority to fund energy efficiency improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization.	140,210	140,210
Keene East Side - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in December 2028. The note is secured by real estate of the Organization.	900,000	900,000
Keene East Side - Non-interest bearing note payable to New Hampshire Community Development Finance Authority (CDFA) to fund energy upgrades and capital improvements. The mortgage may be released after ten years in January 2026. The note is secured by real estate of the Organization.	121,865	34,106

Keene East Side - Non-interest bearing note payable to New Hampshire Housing Finance Authority to fund energy efficiency improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization.

	<u>228,934</u>	<u>228,934</u>
	8,298,788	8,372,707
Less current portion due within one year	<u>211,313</u>	<u>381,611</u>
	<u>\$ 8,087,475</u>	<u>\$ 7,991,096</u>

The schedule of maturities of long term debt at May 31, 2017 is as follows:

Year Ending <u>May 31</u>	<u>Amount</u>
2018	\$ 211,313
2019	104,538
2020	102,568
2021	104,694
2022	98,506
Thereafter	<u>7,677,169</u>
Total	<u>\$ 8,298,788</u>

**NOTE 4**

**OPERATING LEASES**

The Organization leases facilities, equipment and vehicles under non-cancelable lease agreements at various financial institutions. Lease periods range from month to month to 2022. Monthly lease payments range from \$248 to \$3,521. Lease expense for the years ended May 31, 2017 and 2016 totaled \$179,178 and \$213,038, respectively.

Future minimum payments as of May 31, 2017 on the above leases are as follows:

Year Ending <u>May 31</u>	<u>Amount</u>
2018	\$ 67,678
2019	18,589
2020	18,341
2021	15,618
2022	<u>15,618</u>
Total	<u>\$ 135,844</u>

**NOTE 5**      **ACCRUED COMPENSATED BALANCES**

At May 31, 2017 and 2016, the Organization accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$127,577 and \$125,790, respectively.

**NOTE 6**      **CONTINGENCIES**

At May 31, 2017 and 2016, SCS Housing, Inc. is the general partner of seven limited partnerships (which include Drewsville, Jaffrey, and Troy Senior, 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 approximately \$2,299,000 and \$2,345,000 at May 31, 2017 and 2016, respectively. Partnership real estate with a cost basis of approximately \$16,217,000 and \$17,286,000 provides collateral on these loans at May 31, 2017 and 2016, respectively.

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, 2017 and 2016.

**NOTE 7**      **RELATED PARTY TRANSACTIONS**

During the years ended May 31, 2017 and 2016, SCS Housing, Inc. managed seven limited partnerships. Management fees charged by SCS Housing, Inc. totaled \$308,448 and \$276,881, for the years ended May 31, 2017 and 2016, respectively. Additionally, SCS Housing, Inc. has advanced the limited partnerships funds for cash flow purposes over several years.

The Organization has also advanced funds to a related entity for Department of Housing and Urban Development (HUD) sponsorship purposes.

The total amount due and expected to be collected from the limited partnerships and related entity was \$219,108 and \$292,525 at May 31, 2017 and 2016, respectively.

**NOTE 8****EQUITY INVESTMENT**

SCS and related companies use the equity method to account for their financial interests in the following companies:

	<u>2017</u>
Cityside Housing Associates, LP (Cityside)	\$ (9,481)
Marlborough Homes, LP (Marlborough)	30
Payson Village Senior Housing Associates, LP (Payson)	(12,477)
Railroad Square Senior Housing Associates, LP (Railroad)	(1,527)
Warwick Meadows Housing Associates, LP (Warwick)	(9)
Woodcrest Drive Housing Associates, LP (Woodcrest)	222,850
Winchester Senior Housing Associates, LP (Winchester)	53,888
Swanzey Township Housing Associates, LP (Swanzey)	(31,183)
Snow Brook Meadow Village Housing Associates, LP (Snow Brook)	(60,709)
Keene Highland Housing Associates, LP (Keene Highland)	(226)
Pilot Health, LLC	(18,374)
	<u>\$ 142,782</u>

SCS Housing Development, Inc. is a 0.01% partner of Cityside, Marlborough, Payson, Warwick, and Woodcrest, and a 0.10% partner of Railroad.

SCS Housing, Inc. is a 0.01% partner of Winchester, Swanzey, Snow Brook, and Keene Highland.

Southwestern Community Services, Inc. is 14.3% member of Pilot Health, LLC.

Summarized financial information for entities accounted for under the equity method, as of May 31, 2017, consists of the following:

	<u>2017</u>
Total assets	\$ <u>33,140</u>
Total liabilities	47,490
Capital/Member's equity	<u>(14,350)</u>
	<u>\$ 33,140</u>
Income	\$ 84,728
Expenses	<u>81,515</u>
Net income	<u>\$ 3,213</u>

**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 \$274,815 and \$283,965 for the years ended May 31, 2017 and 2016, respectively.

**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, 2017 and 2016 totaled \$153,839 and \$211,220, respectively.

**NOTE 11**    **FORGIVENESS OF DEBT**

During the year ended May 31, 2017 the Organization realized forgiveness of debt income in connection with notes payable to the County of Cheshire, HUD and New Hampshire Housing. Forgiveness of debt income totaled \$90,148 for the year ended May 31, 2017.

During the year ended May 31, 2016 the Organization realized forgiveness of debt income in connection with notes payable to the County of Cheshire and HUD. Forgiveness of debt income totaled \$61,209 for the year ended May 31, 2016.

**NOTE 12**    **TRANSFER OF PARTNERSHIP INTEREST**

During 2016, SCS acquired partnership interests in two low income housing limited partnerships: Troy Senior Housing Associates, LP (Troy Senior) and Keene East Side Senior Housing Associates, LP (Keene East Side). The amount paid for each partnership interest was \$1 and at the time of acquisition SCS became the general partner in each partnership.

The following is a summary of the assets and liabilities of each partnership at the date of acquisition:

Date of transfer	<u>09/09/2015</u>	<u>12/31/2015</u>	
	<u>Keene East Side</u>	<u>Troy Senior</u>	<u>Total</u>
Cash	\$ 18,722	\$ 7,368	\$ 26,090
Cash-escrow	280,837	19,347	300,184
Property – net	996,031	982,959	1,978,990
Other assets	<u>38,090</u>	<u>22,557</u>	<u>60,647</u>
Total assets	<u>1,333,680</u>	<u>1,032,231</u>	<u>2,365,911</u>
Notes payable	1,128,934	780,210	1,909,144
Other liabilities	<u>19,778</u>	<u>27,065</u>	<u>46,843</u>
Total liabilities	<u>1,148,712</u>	<u>807,275</u>	<u>1,955,987</u>
Partners' capital	<u>\$ 184,968</u>	<u>\$ 224,956</u>	<u>\$ 409,924</u>

**NOTE 13**    **RECLASSIFICATION**

Certain amounts and accounts from the prior year's financial statements were reclassified to enhance comparability with the current year's financial statements.

**NOTE 14**    **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 October 11, 2017, the date the financial statements were available to be issued.

**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, 2017  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2017 Total	2016 Total
<b>REVENUES</b>										
Government contracts	\$ 3,910,620	\$ 2,684,588	\$ 1,786,879	\$ 51,425	\$ 612,470	\$ 216,943	\$ 9,262,925	\$ 459,898	\$ 9,722,823	\$ 9,060,110
Program service fees	1,601	4,997	51,729	1,012,684	48,690	658,599	1,778,300	83,936	1,862,236	2,030,772
Rental income	-	-	119,345	542,087	-	-	681,432	500	661,932	1,007,200
Developer Income	-	-	-	265,000	-	-	265,000	-	265,000	254,004
Support	45,125	11,831	85,498	-	91,962	157,335	391,751	8,385	400,116	517,802
Fundraising	-	-	5,383	-	-	74,787	80,170	-	80,170	67,765
Interest income	18	3	94	167	-	27	309	6,390	6,699	4,710
Forgiveness of debt	-	-	90,148	-	-	-	90,148	-	90,148	264,795
Miscellaneous	2,490	8,382	2,325	22,688	26,713	7,270	69,868	70,669	140,537	81,209
In-kind contributions	-	162,966	-	-	-	-	162,966	-	162,966	215,867
<b>Total revenues and other support</b>	<b>3,959,854</b>	<b>2,872,787</b>	<b>2,141,401</b>	<b>1,694,051</b>	<b>779,835</b>	<b>1,114,991</b>	<b>12,762,869</b>	<b>629,758</b>	<b>13,392,627</b>	<b>13,484,234</b>
<b>EXPENSES</b>										
Payroll	\$ 340,420	\$ 1,075,322	\$ 439,832	\$ 730,989	\$ 295,530	\$ 472,329	\$ 3,354,402	\$ 788,541	\$ 4,142,943	\$ 4,070,765
Payroll taxes	35,261	125,019	43,209	68,259	34,673	51,734	358,155	71,141	429,296	413,335
Employee benefits	127,766	355,513	170,674	271,958	67,322	213,778	1,207,009	47,209	1,254,218	1,120,567
Retirement	23,813	60,028	28,243	82,164	0,256	18,823	202,325	72,490	274,815	283,965
Advertising	-	7,481	2,489	1,315	1,114	17,017	29,396	121	29,517	33,432
Bank charges	-	1,438	60	3,685	-	-	5,183	6,944	12,127	13,837
Bad debt expense	-	-	-	-	-	-	-	-	-	27,690
Commercial subsidy	-	-	-	-	-	-	-	-	-	14,742
Computer cost	-	18,876	3,684	2,047	18,885	-	43,492	71,851	115,143	136,784
Contractual	295,313	13,334	64,355	61,418	25,339	71,879	531,838	55,626	587,264	521,327
Depreciation	-	27,104	108,291	119,250	-	14,245	268,890	146,830	415,720	597,297
Dues/registration	-	4,740	703	610	988	2,040	9,081	9,986	19,077	18,619
Duplicating	23	8,160	-	-	-	-	8,183	1,659	9,842	17,523
Insurance	9,007	17,396	23,302	46,697	11,299	7,855	115,558	31,617	147,175	189,824
Interest	-	7,063	8,754	5,728	-	2,015	23,560	117,725	141,285	253,726
Meeting & conference	1,871	286	6,183	10,894	851	3,517	23,602	25,520	49,122	91,582
Miscellaneous expense	1,148	603	2,406	130,835	1,740	24,855	161,587	6,747	168,334	195,315
Miscellaneous taxes	-	-	-	32,477	-	-	32,477	379	32,856	99,243
Equipment purchases	727	263	675	7,965	-	-	9,530	481	9,991	13,147
Office expense	5,306	17,095	6,358	4,796	10,084	14,307	57,946	15,405	73,351	70,256
Postage	68	331	102	14	1,038	99	1,652	22,677	24,329	25,403
Professional fees	2,673	-	2,500	44,515	-	-	49,688	84,653	134,341	140,599
Staff development and training	4,795	2,534	8,511	1,323	1,616	15,800	34,579	16,893	51,472	65,945
Subscriptions	-	-	-	645	-	-	845	1,552	2,397	2,293
Telephone	2,217	17,258	25,746	15,347	5,058	4,327	69,953	44,119	114,072	61,160
Travel	5,502	19,088	16,001	5,016	24,201	2,605	72,613	4,431	77,044	61,394
Vehicle	2,345	2,917	2,033	27,020	23,102	10,160	67,577	17,994	85,571	77,536
Rent	-	25,250	-	-	-	-	25,250	-	25,250	26,550
Space costs	-	217,475	234,349	365,323	2,500	1,200	820,847	113,725	934,572	889,970
Direct client assistance	2,954,453	180,038	658,065	52,806	37,269	15,134	4,097,767	-	4,097,767	3,741,723
In-kind expenses	-	162,966	-	-	-	-	162,966	-	162,966	215,867
<b>TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION</b>	<b>3,812,706</b>	<b>2,387,558</b>	<b>2,056,525</b>	<b>2,073,178</b>	<b>571,865</b>	<b>963,917</b>	<b>11,845,751</b>	<b>1,776,106</b>	<b>13,621,857</b>	<b>13,491,166</b>
Allocation of management and general expenses	571,683	354,983	306,347	310,844	85,743	144,525	1,776,108	(1,776,108)	-	-
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 4,384,371</b>	<b>\$ 2,722,541</b>	<b>\$ 2,364,872</b>	<b>\$ 2,384,022</b>	<b>\$ 657,608</b>	<b>\$ 1,108,443</b>	<b>\$ 13,621,857</b>	<b>\$ -</b>	<b>\$ 13,621,857</b>	<b>\$ 13,491,166</b>

See Independent Auditors' Report

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE ELECTRIC ASSISTANCE PROGRAM  
FOR THE YEAR ENDED MAY 31, 2017**

<b>Revenues</b>	<b><u>\$ 216,348</u></b>
<b>Expenditures</b>	
Salaries	\$ 91,467
Fringe benefits	59,391
Travel	1,938
Other	<u>62,508</u>
	<b><u>\$ 215,304</u></b>

**Note:**

For the year ended May 31, 2017, 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, 2017.

See Independent Auditors' Report

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MAY 31, 2017**

<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>
<b>U.S. Department of Agriculture</b>				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	State of NH Dept. of Health & Human Services	010-000-52600000-102-500734	\$ 398,067
Child and Adult Care Food Program	10.558	State of NH, Dept of Education	Unknown	106,122
Food Distribution Cluster				
Commodity Supplemental Food Program	10.563	State of NH Dept. of Health & Human Services	010-000-52600000-102-500734	\$ 110,048
Emergency Food Assistance Program (Food Commodities)	10.560	Community Action Program Belknap-Merrimack Counties	Unknown	89
				<u>110,136</u>
Total U.S. Department of Agriculture				<u>\$ 582,324</u>
<b>U.S. Department of Housing and Urban Development</b>				
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Bureau of Homeless & Housing	05-05-05-058310-71760000-102-50731	\$ 193,373
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Office of Human Services	010-042-7927-102-0731	101,188
Supportive Housing Program	14.235	State of NH, DHHS, Bureau of Homeless & Housing	05-05-05-058310-71760000-102-50731	258,828
Shelter Plus Care	14.230	State of NH, DHHS, Bureau of Homeless & Housing	05-05-05-058310-71760000-102-50731	286,582
Continuum of Care Program	14.267	State of NH, DHHS, Bureau of Homeless & Housing	05-05-05-058310-71760000-102-50731	186,896
Total U.S. Department of Housing and Urban Development				<u>\$ 684,977</u>
<b>U.S. Department of Labor</b>				
WIA Cluster				
WIA Adult Program	17.256	Southern NH Services	Unknown	\$ 88,591
WIA Dislocated Worker Formula Grants	17.276	Southern NH Services	Unknown	46,128
Total U.S. Department of Labor/WIA Cluster				<u>\$ 104,719</u>
<b>U.S. Department of Transportation Federal Transit Administration (FTA)</b>				
Formula Grants for Rural Areas	20.509	State of NH, Department of Transportation	04-90-06-664010-2910	\$ 168,883
Transit Services Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	State of NH, Department of Transportation	04-90-06-664010-2910	19,826
Total U.S. Department of Transportation Federal Transit Administration (FTA)				<u>\$ 178,479</u>
<b>U.S. Department of Veterans Affairs</b>				
VA Supportive Services for Veteran Families Program	64.039	N/A	N/A	\$ 239,223
Total U.S. Department of Veterans Affairs				<u>\$ 239,223</u>
<b>U.S. Department of Energy</b>				
Weatherization Assistance for Low-Income Persons	81.042	State of NH, Office of Energy & Planning	01-02-024010-7706-074-500587	\$ 140,357
Total U.S. Department of Energy				<u>\$ 140,357</u>
<b>U.S. Department of Health &amp; Human Services</b>				
Aging Cluster				
Special Programs for the Aging, Title III, Part B,				
Grants for Supportive Services and Senior Centers	93.044	State of NH, Office of Energy & Planning	01-02-024010-7706-074-500587	\$ 6,400
Grants to States to Support Oral Health Workforce Activities	93.238	State of NH, DHHS, Division of Family Assistance	Unknown	2,935
Drug-Free Communities Support Program Grants	93.276	N/A	N/A	142,071
Affordable Care Act (ACA) - Consumer Assistance Program Grants	93.510	N/A	N/A	15,004
TANF Cluster				
Temporary Assistance for Needy Families	93.568	Southern NH Services	Unknown	322,816
Low Income Home Energy Assistance	93.598	State of NH, Office of Energy & Planning	1025874	\$ 3,291,856
Low Income Home Energy Assistance	93.668	State of NH, Office of Energy & Planning	1025858	183,087
Community Services Block Grant	93.569	State of NH, DHHS, Div. of Family Assistance	500731	322,907
CSBG - Discretionary	93.570	State of NH, DHHS, Div. of Family Assistance	500731	39,498
Head Start	93.600	N/A	N/A	2,127,540
Block Grants for Prevention and Treatment of Substance Abuse	93.959	State of NH, DHHS, Bureau Drug and Alcohol Services	05-05-40-481510-29890000	60,783
Total U.S. Department of Health & Human Services				<u>\$ 6,513,856</u>
<b>U.S. Department of Homeland Security</b>				
Emergency Food and Shelter National Board Program	97.024	State of NH, DHHS, Office of Human Services	Unknown	\$ 1,078
Total U.S. Department of Homeland Security				<u>\$ 1,078</u>
<b>TOTAL</b>				<u><b>\$ 8,745,013</b></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, 2017**

**NOTE 1      BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Southwestern Community Services, Inc. under programs of the federal government for the year ended May 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southwestern Community Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3      INDIRECT COST RATE**

Southwestern Community Services, Inc. has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4      FOOD DONATION**

Nonmonetary assistance is reported in the Schedule at the fair 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. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statement of financial position as of May 31, 2017, 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 October 11, 2017.

**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 Southwestern Community Services, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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*

October 11, 2017  
Wolfeboro, New Hampshire

**Leone,  
McDonnell  
& Roberts**

PROFESSIONAL ASSOCIATION  
CERTIFIED PUBLIC ACCOUNTANTS  
WOLFEBORO • NORTH CONWAY  
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**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

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

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

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

We have audited Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies' compliance with the types of compliance requirements described in the *OMB 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, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 of 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, 2017.

### **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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 were not identified.

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

*Leon McDonnell & Roberts  
Professional Association*

October 11, 2017  
Wolfeboro, New Hampshire



**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MAY 31, 2017**

**SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unmodified opinion on whether the consolidated financial statements of Southwestern Community Services, Inc. were prepared in accordance with GAAP.
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 the Uniform Guidance*. 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 that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were: U.S. Department of Health and Human Services; Low-Income Home Energy Assistance, 93.568, and Head Start, 93.600.
8. The threshold for distinguishing Type A and B programs was \$750,000.
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, 2016**

**Department of Health and Human Services**

**2016-001 Head Start - CFDA No. 93.600 (material weakness)**

**Condition:** In testing drawdowns for the Head Start program, it was noted that eight drawdowns lacked supporting documentation of the Head Start expenditures for which the drawdown was requested.

**Auditors' Recommendation:** It was recommended that the Organization needed to strengthen controls over its cash management processes to ensure compliance with federal requirements. It was recommended that procedures be implemented so that each Head Start drawdown requires approval of either a member of the finance committee or the Head Start Program Director. Each drawdown must be accompanied by supporting documentation of the expenditures for which the drawdown is being made.

**Current Status:** The recommendation was adopted in December 2015.

**Southwestern Community Services, Inc. Board of Directors - Composition -- 2018 --**

**CHESHIRE COUNTY**

**SULLIVAN COUNTY**

**CONSTITUENT  
SECTOR**

**Beth Fox**

Assistant City Manager/  
Human Resources Director  
City of Keene

**Mary Lou Huffling**

Fall Mountain Emergency Food Shelf  
Alstead Friendly Meals

**Daniel Stewart**

Chair, Head Start Policy Council  
Parent Representative

**Penny Despres**

New Hope New Horizons  
Program Representative

**PRIVATE  
SECTOR**

**Elaine Amer, Clerk/Treasurer**

Amer Electric Company (*retired*)

**Anne Beattie**

Newport Service Organization

**Kevin Watterson, Chair**

Clarke Companies (*retired*)

**Scott Croteau, Vice Chairperson**

VP Savings Bank of Walpole (*retired*)

**PUBLIC  
SECTOR**

**Jay Kahn**

State Senator, District 10

**Raymond Gagnon**

State Representative, District 5

**David Edkins**

Walpole, NH

**Derek Ferland**

Sullivan County Manager

**Kerry Belknap Morris, M.Ed.**

Program Director,  
Early Childhood Education  
River Valley Community College

**Contractor Name: Southwestern Community Services, Inc. [PH Cheshire Co]**

**Key Personnel**

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
John Manning	CEO	\$132,080	0	0
Meg Freeman	CFO	\$90,854	0	0
Craig Henderson	Director of Housing Stabilization	\$50,003	0	0

Subject: Continuum of Care, Coordinated Entry Program, SS-2019-BHHS-01-Coord-02

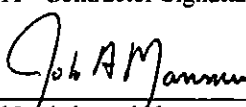
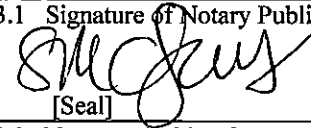
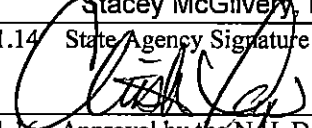
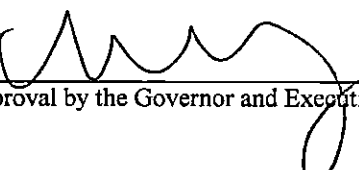
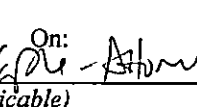
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

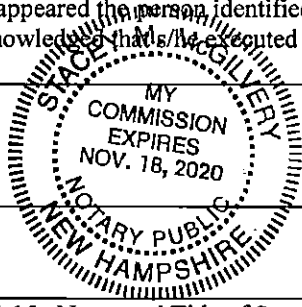
**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Southwestern Community Services, Inc.		1.4 Contractor Address 63 Community Way P.O. Box 603 Keene, NH 03431-0603	
1.5 Contractor Phone Number (603) 352-7512	1.6 Account Number 05-95-42-423010-7927-102-500731	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$86,552
1.9 Contracting Officer for State Agency E. Maria Reinemann, Esq. Director of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9330	
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  On June 4, 2018 , 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 he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  6/4/18 [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace Stacey McGilvery, Notary			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Christopher, Associate Commissioner Date: 6/6/18	
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:  6/7/18			
1.18 Approval by the Governor and Executive Council (if applicable)  By: _____ On: _____			



*gm*  
6/4/18

**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.





SCOPE OF SERVICES

**Coordinated Entry Program**

**1. Provisions Applicable to All Services**

- 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.2. 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, through the Bureau of Housing Supports, has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. 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 their programs and/or services within ten (10) days of the contract effective date; submitted to:  
NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301
- 1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

**2. Scope of Services**

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, the Contractor shall provide a Coordinated Entry program that shall serve approximately One-Thousand (1000) individuals that are homeless or at imminent risk of homelessness.
- 2.2. The Contractor shall support the primary goal of this program which is to identify and engage unsheltered homeless persons and persons at imminent risk of homelessness, and to provide basic interventions such as food and referrals to services and to facilitate their movement to shelter, permanent housing and maximum self-sufficiency.
- 2.3. To be eligible for contract services, individuals and families must be homeless as defined in HUD regulations, or at imminent risk of homelessness. The Contractor must obtain and retain appropriate documentation.
- 2.4. The Contractor shall provide these services according to HUD regulations as outlined in Public Law 102-550, 24 CFR Part 578 Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Program interim rule, and other written HUD policies and directives as appropriate.

Public Law 102-550 can be accessed at:

<https://www.congress.gov/public-laws/102nd-congress>

The Electronic Code of Federal Regulations can be accessed at:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=2bfae50cb70b6feb82e6a7c0cf6b6b&mc=true&node=pt24.3.578&rgn=div5>



Exhibit A

- 2.5. Each program participant shall have an employment assessment and employment goals included in the individual service plan, as appropriate.
- 2.6. The contractor shall participate in their regional Coordinated Entry process.

**3. Program Reporting Requirements**

- 3.1. The Contractor shall submit the following reports:
  - 3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the subrecipient is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.3 Exhibit A; and
  - 3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.  
NH HMIS policy can be accessed at:  
<http://www.nh-hmis.org>
- 3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.
- 3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by BHS.
- 3.4. The Contractor shall cooperate fully with and answer all questions of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.

**4. Contract Administration**

- 4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with Contractor performance.
- 4.3. The Contractor shall inform BHS of any staffing changes within thirty (30) days of the change.
- 4.4. Contract records shall be retained for a period of five (5) years or as required by state or federal law, following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and BHS.

*Jm*

6/4/18



Exhibit B

**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**1. Coordinated Entry Program**

1.1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement pursuant to Exhibit A, Scope of Services, the State agrees to pay the Contractor an amount not to exceed Form P-37, Block 1.8, Price Limitation and for the time period specified below.

1.1.1. This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund:	0%
Federal Funds:	100%
CFDA #:	14.267
Grant Number:	NH0096L1T001702
Federal Agency:	U.S. Department of Housing & Urban Development (HUD)
Program Title:	Continuum of Care, Coordinated Entry Program
Total Amount Continuum of Care;	
July 1, 2018 – June 30, 2019: not to exceed \$86,552	
Funds allocation under this agreement for Continuum of Care Program;	
Administrative Expenses:	\$2,460
Leasing Expenses:	\$0
Operating Expenses:	\$0
Rental Assistance:	\$0
Supportive Services:	<u>\$84,092</u>
Total program amount:	\$86,552

1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

**2. Reports**

2.1. As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

2.1.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with 2 CFR part 200 which can be accessed at:

[https://www.ecfr.gov/cgi-bin/text-idx?tp=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tp=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State at the following address:

NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301

6/4/18



**Exhibit B**

2.2. Where the Contractor is not subject to the requirements of 2 CFR part 200, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

**3. Project Costs: Payment Schedule; Review by the State**

3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of 2 CFR part 200.

3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 578.87(c).

3.3. The subrecipient must match all grant funds, except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources. Cash match must be used for the cost of activities that are eligible under subpart D of 24 CFR 578.

3.4. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578, and in compliance with the budget detail and narrative, as outlined in the 2017 NOFA Project Application approved by HUD, the State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of P.L. 102-550 and other applicable regulations.

3.4.1. Payment of Project Costs shall be made through the utilization of funds as provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount and time period not to exceed as specified above in section 1.1.1. Exhibit B.

3.4.2. Authorized expenses shall be those expenses as detailed in Exhibit B-1, Budget.

3.5. Schedule of Payments: Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor agrees to keep records of their activities related to Department programs and services, and shall provide additional financial information if requested by the State to verify expenses. Invoices shall be submitted promptly to the address listed above in section 2.1.1. Exhibit B.

3.6. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all

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**Exhibit B**

payments made to date. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture.

- 3.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.

**4. Use Of Grant Funds**

- 4.1. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.
- 4.2. Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

**5. Expense Eligibility**

- 5.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize Continuum of Care Program agreement value specified in Exhibit B of this agreement from the HUD Continuum of Care Program, for contract services.

**5.1.1. Operating Expenses**

- 5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.
- 5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

**5.1.2. Supportive Services**

- 5.1.2.1. Eligible supportive services costs must comply with all HUD regulations in 24 CFR 578.53. Eligible services are available to those individuals actively participating in the permanent housing program.
- 5.1.2.2. Eligible costs include:
- 5.1.2.3. mental health services;
- 5.1.2.4. case management services;
- 5.1.2.5. salaries of Contractor staff providing supportive services;
- 5.1.2.6. reasonable one-time moving costs (truck rental and hiring a moving company);
- 5.1.2.7. child-care costs for establishing and operating child care;

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**Exhibit B**

- 5.1.2.8. providing child-care vouchers for children from families experiencing homelessness (including meals, snacks, comprehensive and coordinated developmental activities);
  - 5.1.2.9. education services;
  - 5.1.2.10. employment assistance and job training skills;
  - 5.1.2.11. housing search and counseling services;
  - 5.1.2.12. legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing);
  - 5.1.2.13. outpatient health services; and
  - 5.1.2.14. transportation services and utility deposits.
  - 5.1.2.15. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.
- 5.1.3. Rental Assistance
- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
  - 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
  - 5.1.3.3. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
  - 5.1.3.4. Rental assistance will only be provided for a unit if the rent is reasonable. The Contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.
  - 5.1.3.5. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits.
  - 5.1.3.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
  - 5.1.3.7. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
  - 5.1.3.8. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require

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program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid Re-Housing program component must be tenant based rental assistance.

- 5.1.3.9. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.1.3.10. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.1.3.11. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.

**5.1.4. Administrative Costs**

5.1.4.1. Administrative costs include:

5.1.4.2. preparing program budgets;

5.1.4.3. schedules and amendments;

5.1.4.4. developing systems for assuring compliance with program requirements;

5.1.4.5. developing interagency agreements and agreements with subrecipients and Contractors to carry out program activities;

5.1.4.6. preparing reports and other documents related to the program for submission to HUD;

5.1.4.7. evaluating program results against stated objectives;

5.1.4.8. travel costs incurred for official business in carrying out the program;

5.1.4.9. administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services) and;

5.1.4.10. other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).

5.1.5. Leasing: Leasing may include leasing one structure or leasing units scattered throughout a community.

5.1.5.1. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Contractor.

5.1.5.2. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.

5.1.5.3. The Contractor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.

5.1.5.4. Property damages may only be paid from money paid to landlord for security deposits.

5.1.5.5. The Contractor cannot lease a building that it already owns to itself.

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**Exhibit B**

5.1.5.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.

5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).

5.2.1. The Contractor must match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.

5.2.2. Match requirements are to be documented with each payment request.

5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 5. Expense Eligibility, Exhibit B. The Contractor must have written approval from the State prior to billing for any other expenses.

5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.

5.5. The Contractor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.

**6. Contractor Financial Management System**

6.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.

6.2. The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3, Project Costs: Payment Schedule; Review by the State, of this Agreement.

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Exhibit B-1 Budget

<b>For BHS use only</b>
Vendor # 177511-R001
Contract #      Line #1
Invoice:
Descript: NH0096L1T001702
Account: 010-042-7927-102-500731
Add activities
Amount \$
Job #
Amount \$
Job #

**Bureau of Housing Supports  
Supportive Housing Program (SHP) - Supportive Services Only (SSO)  
Payment Request Form**

Sponsor Name: Southwestern Community Services							PIN: NH35001
Project: Coordinated Entry			Service Period: 7/1/18 - 6/30/19				
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
Activity Name	Activity Budget	SHP Payments Billed	Matching Funds Applied	Budgeted Balance Available	Requested This Invoice	Match Applied This Invoice	New Available Balance
Salary/Fringe Benefits	\$ 65,520.00			\$ 65,520.00	\$ -		\$ 65,520.00
Transportation	\$ 5,552.00			\$ 5,552.00	\$ -		\$ 5,552.00
Client Emergency	\$ 13,020.00			\$ 13,020.00	\$ -		\$ 13,020.00
Supportive Services Total	\$ 84,092.00			\$ 84,092.00	\$ -		\$ 84,092.00
Administration	\$ 2,460.00			\$ 2,460.00	\$ -		\$ 2,460.00
Total HUD Funding	\$ 86,552.00			\$ 86,552.00	\$ -		\$ 86,552.00
25% Required Match	\$ 21,638.00			\$ 21,638.00	\$ -	\$ -	\$ 21,638.00
				PLEASE PAY THIS AMT	\$ -		

<b>TOTALS:</b>			
Total HUD Funding	\$ 86,552.00	\$ -	\$ -
Total Match	\$ 21,638.00	\$ -	\$ -
Project Totals	\$ 108,190.00	\$ -	\$ -
			\$ -

Authorizing Signature(s)  
 \_\_\_\_\_

For BHS only		
Amount	SHP Amt	Date
\$ -		
Amy O' Hara, Financial Manager		Date

Vendor Initials gm  
 Date 6/4/18



**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.

New Hampshire Department of Health and Human Services  
Exhibit C



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 (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) 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



- 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.



**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.



**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;

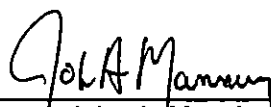
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
    - 1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements 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.

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

  
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

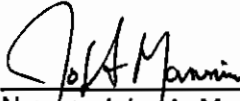
The undersigned certifies, to the best of his or her knowledge and belief, that:

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-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

  
Name: John A. Manning  
Title: Chief Executive Officer



**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

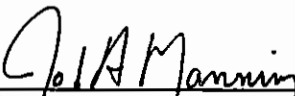
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
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

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

  
Name: John A. Manning  
Title: Chief Executive Officer



**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

Contractor Initials

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

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.

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

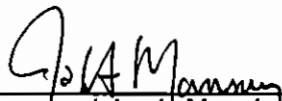
  
Name: John A. Manning  
Title: Chief Executive Officer

Exhibit G

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

Contractor Initials JM



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

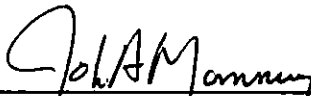
  
Name: John A. Manning  
Title: Chief Executive Officer



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.





Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

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

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

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

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

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



Exhibit I

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) **Obligations of Covered Entity**

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

(5) **Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) **Miscellaneous**

- a. **Definitions and Regulatory References.** All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. **Amendment.** Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. **Data Ownership.** The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. **Interpretation.** The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



Exhibit I

- e. **Segregation.** If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. **Survival.** Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

Department of Health and Human Services  
The State

Signature of Authorized Representative

Name of Authorized Representative

Title of Authorized Representative

Date

Southwestern Community Services, Inc.

Name of the Contractor

Signature of Authorized Representative

John A. Manning

Name of Authorized Representative

Chief Executive Officer

Title of Authorized Representative

June 4, 2018

Date



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

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

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

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

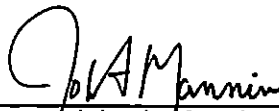
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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

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

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

  
Name: John A. Manning  
Title: Chief Executive Officer



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: _____



DHHS Information Security Requirements

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A. Definitions

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

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

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

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





**DHHS Information Security Requirements**

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

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

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

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

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



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

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

## II. METHODS OF SECURE TRANSMISSION OF DATA

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

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**DHHS Information Security Requirements**

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

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

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

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

**A. Retention**

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



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

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

**B. Disposition**

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

**IV. PROCEDURES FOR SECURITY**

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).



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



DHHS Information Security Requirements

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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

DHHS Information Security Requirements



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

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

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

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

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



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

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

## VI. PERSONS TO CONTACT

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov



# State of New Hampshire

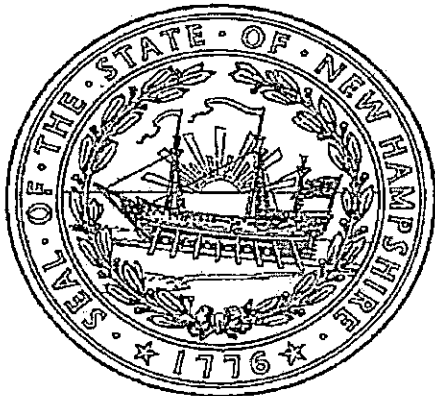
## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SOUTHWESTERN COMMUNITY SERVICES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 19, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 65514

Certificate Number : 0004080353



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 12th day of April A.D. 2018.

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, Clerk Secretary, 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 February 18, 2016 :  
(Date)

**RESOLVED:** That the Chief Executive Officer  
(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 4th day of June, 2018.  
(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 4th day of June, 2018.

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

Stacey McGilvery  
Stacey McGilvery, Notary

(NOTARY SEAL)

Commission Expires: 11/18/2020



gm



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/29/2018

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		NAIC #
INSURER A : Philadelphia Insurance Company		
INSURER B : Maine Employer Mutual Insurance Co.		
INSURER C :		
INSURER D :		
INSURER E :		
INSURER F :		

**COVERAGES** CERTIFICATE NUMBER: 1079306016 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:			PHPK1668183	6/30/2017	6/30/2018	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	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			PHPK1668192	6/30/2017	6/30/2018	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 type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB587672	6/30/2017	6/30/2018	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	4/1/2018	4/1/2019	PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A	Professional Liability			PHPK1668183	6/30/2017	6/30/2018	\$1,000,000 per occurrence \$2,000,000 general aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Workers Compensation Statutory coverage provided for the State of NH  
All Executive Officers are included in the Workers Compensation coverage

## CERTIFICATE HOLDER

## CANCELLATION

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	AUTHORIZED REPRESENTATIVE 

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# Southwestern Community Services

Southwestern Community Services (SCS), one of New Hampshire's five community action agencies, has served the needs of Cheshire and Sullivan county citizens since 1965. Our history began when President Lyndon Johnson commenced waging his war on poverty. As the battles continue, so do our efforts as advocates for those in need. Southwestern Community Services is a tax-exempt organization under section 501(c)3 of the Internal Revenue Code.

**Our vision:** SCS seeks to create and support a climate within the communities of southwestern New Hampshire wherein poverty is never accepted as a chronic or permanent condition of any person's life.

**Our mission:** 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 in close collaboration with local communities, SCS will provide leadership and support to develop resources, programs, and services to further aid this population.

*Financial Statements*

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**SOUTHWESTERN COMMUNITY SERVICES, INC.  
AND RELATED COMPANIES**

**FOR THE YEARS ENDED  
MAY 31, 2017 AND 2016  
AND  
INDEPENDENT AUDITORS' REPORT**

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MAY 31, 2017 AND 2016**

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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. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statements of financial position as of May 31, 2017 and 2016, and the related consolidated statements of cash flows, and notes to the consolidated financial statements for the years then ended, and the related consolidated statements of activities and functional expenses for the year ended May 31, 2017.

### **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 audits. We conducted our audits 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. and related companies as of May 31, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Southwestern Community Services, Inc. and related companies' 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 9, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Schedule of Functional Revenues and Expenses, and the Schedule of Revenues and Expenditures for the Electric Assistance Program are presented for purposes of additional analysis and are 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 October 11, 2017, 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.

*Leone McDonnell & Roberts  
Professional Association*

October 11, 2017

Wolfeboro, New Hampshire



**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
MAY 31, 2017 AND 2016**

**ASSETS**

	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 947,175	\$ 1,188,826
Accounts receivable	1,360,685	1,102,367
Prepaid expenses	19,252	23,413
Notes receivable	112,000	112,000
Interest receivable	41,067	36,587
Total current assets	<u>2,480,179</u>	<u>2,463,193</u>
<b>PROPERTY</b>		
Land and buildings	13,335,396	14,237,257
Vehicles and equipment	703,635	813,172
Furniture and fixtures	25,756	40,986
Total property	<u>14,064,787</u>	<u>15,091,415</u>
Less accumulated depreciation	<u>4,579,760</u>	<u>5,446,011</u>
Property, net	<u>9,485,027</u>	<u>9,645,404</u>
<b>OTHER ASSETS</b>		
Investment in related parties	142,782	10,000
Due from related parties	219,108	292,525
Cash escrow and reserve funds	359,589	341,367
Security deposits	37,906	35,961
Other assets	384	384
Total other assets	<u>759,769</u>	<u>680,237</u>
Total assets	<u>\$ 12,724,975</u>	<u>\$ 12,788,834</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 166,495	\$ 155,247
Accrued expenses	233,842	146,363
Accrued payroll and payroll taxes	241,035	218,182
Other current liabilities	148,698	181,696
Refundable advances	238,345	201,064
Current portion of long term debt	211,313	381,611
Total current liabilities	<u>1,239,728</u>	<u>1,284,163</u>
<b>NONCURRENT LIABILITIES</b>		
Long term debt, less current portion shown above	<u>8,087,475</u>	<u>7,991,096</u>
Total liabilities	<u>9,327,203</u>	<u>9,275,259</u>
<b>NET ASSETS</b>		
Unrestricted	3,243,933	3,302,355
Temporarily restricted	153,839	211,220
Total net assets	<u>3,397,772</u>	<u>3,513,575</u>
Total liabilities and net assets	<u>\$ 12,724,975</u>	<u>\$ 12,788,834</u>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2017  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
<b>REVENUES AND OTHER SUPPORT</b>				
Government contracts	\$ 9,722,823	\$ -	\$ 9,722,823	\$ 9,060,110
Program service fees	1,862,236	-	1,862,236	2,030,772
Rental income	661,932	-	661,932	1,007,200
Developer Income	265,000	-	265,000	254,004
Support	280,311	139,805	400,116	517,802
Fundraising	80,170	-	80,170	67,765
Interest income	6,699	-	6,699	4,710
Forgiveness of debt	90,148	-	90,148	61,209
Miscellaneous	140,537	-	140,537	264,795
In-kind contributions	162,966	-	162,966	215,867
Total revenues and other support	<u>13,252,822</u>	<u>139,805</u>	<u>13,392,627</u>	<u>13,484,234</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>				
	<u>197,186</u>	<u>(197,186)</u>	<u>-</u>	<u>-</u>
Total revenues, other support, and net assets released from restrictions	<u>13,450,008</u>	<u>(57,381)</u>	<u>13,392,627</u>	<u>13,484,234</u>
<b>EXPENSES</b>				
<b>Program services</b>				
Home energy programs	3,812,708	-	3,812,708	3,676,121
Education and nutrition	2,367,558	-	2,367,558	2,344,682
Homeless programs	2,056,525	-	2,056,525	2,177,885
Housing services	2,073,178	-	2,073,178	2,576,850
Economic development services	571,865	-	571,865	331,262
Other programs	963,917	-	963,917	782,112
Total program services	<u>11,845,751</u>	<u>-</u>	<u>11,845,751</u>	<u>11,888,912</u>
<b>Supporting activities</b>				
Management and general	1,776,106	-	1,776,106	1,602,254
Total expenses	<u>13,621,857</u>	<u>-</u>	<u>13,621,857</u>	<u>13,491,166</u>
<b>CHANGES IN NET ASSETS BEFORE (LOSS) GAIN ON SALE OF PROPERTY</b>	<u>(171,849)</u>	<u>(57,381)</u>	<u>(229,230)</u>	<u>(6,932)</u>
<b>(LOSS) GAIN ON SALE OF PROPERTY</b>	<u>(19,355)</u>	<u>-</u>	<u>(19,355)</u>	<u>759,643</u>
<b>GAIN ON INVESTMENT IN LIMITED PARTNERSHIPS</b>	<u>132,782</u>	<u>-</u>	<u>132,782</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	<u>(58,422)</u>	<u>(57,381)</u>	<u>(115,803)</u>	<u>752,711</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>3,302,355</u>	<u>211,220</u>	<u>3,513,575</u>	<u>2,350,940</u>
<b>NET ASSETS TRANSFERRED FROM LIMITED PARTNERSHIPS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,924</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>3,302,355</u>	<u>211,220</u>	<u>3,513,575</u>	<u>2,760,864</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 3,243,933</u>	<u>\$ 153,839</u>	<u>\$ 3,397,772</u>	<u>\$ 3,513,575</u>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MAY 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (115,803)	\$ 752,711
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation and amortization	415,720	597,297
Loss (gain) on sale of property	19,355	(759,643)
Gain on investment in limited partnerships	(132,782)	-
Forgiveness of debt	(90,148)	(61,209)
(Increase) decrease in assets:		
Accounts receivable	(258,318)	(190,538)
Prepaid expenses	4,161	31,980
Interest receivable	(4,480)	(4,480)
Due from related parties	73,417	(164,685)
Security deposits	(1,945)	59,036
Other assets	-	15,584
Increase (decrease) in liabilities:		
Accounts payable	11,248	(603,671)
Accrued expenses	87,479	(820)
Accrued payroll and payroll taxes	22,853	(91,390)
Other current liabilities	(32,998)	49,000
Refundable advances	37,281	(38,170)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>35,040</u>	<u>(408,998)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase) decrease in escrow funds	(18,222)	237,589
Proceeds from sale of property	6,000	4,286,378
Purchase of property	(247,598)	(297,570)
<b>NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES</b>	<u>(259,820)</u>	<u>4,226,397</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayments on bank line of credit	-	(249,953)
Proceeds from long term debt	106,019	34,182
Repayment of long term debt	(122,890)	(2,636,139)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(16,871)</u>	<u>(2,851,910)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(241,651)	965,489
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	1,188,826	197,247
<b>CASH TRANSFERRED FROM LIMITED PARTNERSHIPS</b>	-	26,090
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 947,175</u>	<u>\$ 1,188,826</u>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED MAY 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$ <u>141,285</u>	\$ <u>253,726</u>
<b>SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Property financed by long term debt	\$ <u>33,100</u>	\$ <u>-</u>
Transfer of assets from newly consolidated LPs:		
Due from related parties	\$ -	\$ 40,000
Prepaid expenses	-	9,494
Land and buildings	-	3,097,594
Furniture and fixtures	-	28,666
Accumulated depreciation	-	(1,147,270)
Cash escrow and reserve funds	-	300,184
Security deposits	-	<u>32,067</u>
Total transfer of assets from newly consolidated LPs	\$ <u>-</u>	\$ <u>2,360,735</u>
Transfer of liabilities from newly consolidated LPs:		
Accounts payable	\$ -	\$ 37,921
Accrued expenses	-	29,836
Long term debt	-	<u>1,909,144</u>
Total transfer of liabilities from newly consolidated LPs	\$ <u>-</u>	\$ <u>1,976,901</u>
Transfer of net assets from newly consolidated LPs	\$ <u>-</u>	\$ <u>409,924</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, 2017  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2017 Total	2016 Total
Payroll	\$ 340,420	\$ 1,075,322	\$ 439,832	\$ 730,869	\$ 295,530	\$ 472,329	\$ 3,354,402	\$ 788,541	\$ 4,142,943	\$ 4,070,765
Payroll taxes	35,281	125,019	43,209	68,259	34,673	51,734	358,155	71,141	429,296	413,335
Employee benefits	127,766	355,513	170,674	271,958	67,322	213,776	1,207,009	47,209	1,254,218	1,120,567
Retirement	23,813	60,026	28,243	62,164	9,256	18,823	202,325	72,490	274,815	283,965
Advertising	-	7,481	2,489	1,315	1,114	17,017	29,396	121	29,517	33,432
Bank charges	-	1,438	60	3,665	-	-	5,183	6,944	12,127	13,837
Bad debt expense	-	-	-	-	-	-	-	-	-	27,660
Commercial subsidy	-	-	-	-	-	-	-	-	-	14,742
Computer cost	-	18,676	3,684	2,047	16,865	-	43,492	71,651	115,143	136,764
Contractual	295,313	13,334	64,355	81,418	25,339	71,879	531,838	55,628	587,264	621,327
Depreciation	-	27,104	108,291	119,250	-	14,245	268,890	146,830	415,720	597,297
Dues/registration	-	4,740	703	610	988	2,040	9,081	9,996	19,077	18,619
Duplicating	23	8,180	-	-	-	-	8,183	1,659	9,842	17,523
Insurance	9,007	17,398	23,302	46,697	11,299	7,855	115,558	31,617	147,175	189,624
Interest	-	7,063	8,754	5,728	-	2,015	23,560	117,725	141,285	253,728
Meeting and conference	1,671	286	8,183	10,894	851	3,517	23,602	25,520	49,122	91,582
Miscellaneous expense	1,148	603	2,408	130,835	1,740	24,855	161,567	6,747	168,334	195,315
Miscellaneous taxes	-	-	-	32,477	-	-	32,477	379	32,856	99,243
Equipment purchases	727	263	675	7,865	-	-	9,530	481	9,991	13,147
Office expense	5,306	17,095	6,358	4,796	10,084	14,307	57,946	15,405	73,351	70,256
Postage	88	331	102	14	1,038	99	1,652	22,677	24,329	25,403
Professional fees	2,673	-	2,500	44,515	-	-	49,688	84,653	134,341	140,599
Staff development and training	4,795	2,534	8,511	1,323	1,616	15,800	34,579	16,893	51,472	65,945
Subscriptions	-	-	-	845	-	-	845	1,552	2,397	2,293
Telephone	2,217	17,258	25,746	15,347	5,056	4,327	69,953	44,119	114,072	61,160
Travel	5,502	19,068	16,001	5,018	24,201	2,805	72,813	4,431	77,044	61,394
Vehicle	2,345	2,917	2,033	27,020	23,102	10,160	67,577	17,994	85,571	77,538
Rent	-	25,250	-	-	-	-	25,250	-	25,250	26,550
Space costs	-	217,475	234,349	365,323	2,500	1,200	820,847	113,725	934,572	889,970
Direct client assistance	2,954,453	180,038	858,065	52,806	37,269	15,134	4,097,767	-	4,097,767	3,741,723
In-kind expenses	-	162,966	-	-	-	-	162,966	-	162,966	215,667
<b>TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION</b>	<b>3,812,708</b>	<b>2,387,558</b>	<b>2,058,525</b>	<b>2,073,178</b>	<b>571,865</b>	<b>963,917</b>	<b>11,845,751</b>	<b>1,776,106</b>	<b>13,821,857</b>	<b>13,491,166</b>
Allocation of management and general expenses	571,663	354,983	308,347	310,844	85,743	144,526	1,776,106	(1,776,106)	-	-
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 4,384,371</b>	<b>\$ 2,722,541</b>	<b>\$ 2,384,872</b>	<b>\$ 2,384,022</b>	<b>\$ 657,608</b>	<b>\$ 1,108,443</b>	<b>\$ 13,621,857</b>	<b>\$ -</b>	<b>\$ 13,621,857</b>	<b>\$ 13,491,166</b>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MAY 31, 2017 AND 2016**

**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 Corporation, SCS Housing, Inc., SCS Development Corporation, SCS Housing Development, Inc., and various limited partnerships, as described below. 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 consolidated financial statements of Southwestern Community Services, Inc. and related companies have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principles.

**Principles of Consolidation**

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

- SCS Management Corporation
- SCS Housing, Inc.
- SCS Development Corporation
- SCS Housing Development, Inc.
  
- Drewsville Carriage House Associates, Limited Partnership (Drewsville)
- Jaffrey Housing Associates, Limited Partnership (Jaffrey)
- Troy Senior Housing Associates, Limited Partnership (Troy Senior)
- Keene East Side Senior Housing Associates, Limited Partnership (Keene East Side)
- North Walpole Village Housing Associates, Limited Partnership (North Walpole, 2016 only)
- Troy Common Associates, Limited Partnership (Troy, 2016 only)

- Peterborough/Finlay, LLC (Peterborough, 2016 only)
- Hinsdale Main Street Associates Limited Partnership (Hinsdale, 2016 only)

During the year ended May 31, 2016, the Organization sold North Walpole, Troy, Peterborough, and Hinsdale. All significant intercompany items and transactions have been eliminated from the basic consolidated 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, 2017 and 2016, the Organization had unrestricted and temporarily restricted net assets.

The financial statements include certain prior-year summarized comparative information in total but not by net-asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended May 31, 2016 from which the summarized information was derived.

### **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**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for uncollectible accounts was estimated to be zero at May 31, 2017 and 2016. The Organization has no policy for charging interest on overdue accounts.

### **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 was \$112,000 and \$41,067, respectively at May 31, 2017 and \$112,000 and \$36,587, respectively at May 31, 2016.

### **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 years ended May 31, 2017 and 2016, approximately 73% and 67%, respectively, 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.

### **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
Vehicles and equipment	5 - 10 Years
Furniture and fixtures	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**

Southwestern Community Services, Inc. and SCS Management Corporation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and are not private foundations. As such, they are exempt from income tax on their exempt function income.

SCS Housing, Inc., SCS Development Corporation and SCS Housing Development, Inc. are taxed as corporations. SCS Housing Inc. has federal net operating loss carryforwards totaling \$840,803 and \$808,894 at May 31, 2017 and 2016, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2027. SCS Development Corporation is taxed as a corporation and has federal net operating loss carryforwards totaling \$629 and \$658 at May 31, 2017 and 2016, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2020.

The tax effects of the carryforwards as related to deferred tax assets is as follows as of May 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Tax benefit from loss carryforwards	\$126,215	\$121,432
Valuation allowance	<u>(126,215)</u>	<u>(121,432)</u>
Deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

Drewsville, Jaffrey, Troy, Senior and Keene East Side are taxed as partnerships. Federal income taxes are not payable by, or provided for these entities. Earnings and losses are included in the partners' federal income tax returns based on their share of partnership earnings. Partnerships are required to file income tax returns with the State of New Hampshire and pay an income tax at the state's statutory rate.

Accounting Standard Codification No. 740, "Accounting for Income Taxes," established the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. Management has analyzed the Organization's tax position taken on its income tax returns for all open years (tax years ending May 31, 2014 – 2017), 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.

**NOTE 2**

**BANK LINE OF CREDIT**

The Organization has a \$250,000 revolving line of credit agreement with a bank. Interest is due monthly and is stated at the Wall Street Journal Prime Rate. The line is secured by all the Organization's assets. As of May 31, 2017 and 2016, the interest rate was 4%. There was no outstanding balance at May 31, 2017 and 2016.

**NOTE 3**

**LONG TERM DEBT**

The long term debt at May 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
1% mortgage payable to New Hampshire Housing in monthly installments for principal and interest of \$891 through August 2032. The note is secured by real estate of the Organization.	\$ 163,926	\$ 172,929
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	32,147
3.75% 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.	42,099	51,906
Non-interest bearing mortgage payable to New Hampshire Housing. 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.	244,505	250,000

Non-interest bearing mortgage payable to New Hampshire Housing. Payment is deferred for 30 years, through July 2032, unless there is surplus cash from which to make a payment, or until project is sold or refinanced. The note is secured by real estate of the Organization.	376,558	406,558
4.25% mortgage payable to a bank in monthly installments for principal and interest of \$1,875 through December 2016, with a balloon payment that was due January 2017. The note was amended during the year ended May 31, 2017 and is now due December 2026. Under the amendment, interest rate is 4.94% and monthly installments for principal and interest are \$1,957. The note is secured by real estate of the Organization.	177,050	192,893
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.	2,280,750	2,312,802
Non-interest bearing note payable to Cheshire County in New Hampshire. Payment is not necessary unless Organization defaults on contract. The note is secured by real estate of the Organization.	460,000	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 was due. The remaining balance is still outstanding at May 31, 2017 and is classified as current. The note is secured by real estate of the Organization.	63,000	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 was due. The remaining balance is still outstanding at May 31, 2017 and is classified as current. The note is secured by real estate of the Organization.	45,000	45,000

<p>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, 2017 and 2016. The note is secured by real estate of the Organization.</p>	426,734	439,386
<p>5.19% note payable to a bank in monthly installments for principal and interest of \$889 through May 2021. The note is secured by real estate of the Organization.</p>	105,495	110,853
<p>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 is 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.</p>	175,000	200,000
<p>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 is 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.</p>	105,000	120,000
<p>Non-interest bearing note payable to New Hampshire Finance Authority in annual payments in the amount of 50% of annual surplus cash through July 2042 at which time the remaining balance is due. The note is secured by real estate of the Organization.</p>	794,189	794,189
<p>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.</p>	382,818	402,966
<p>3.99% note payable to a bank in monthly installments for principal and interest of \$355 through May 2018. The note is secured by a vehicle of the Organization.</p>	4,070	8,401

6.99% note payable to a finance company in monthly installments for principal and interest of \$652 through June 2019. The note is secured by a vehicle.	15,688	22,167
5.54% note payable to a finance company in monthly installments for principal and interest of \$543 through August 2022. The note is secured by a vehicle.	29,572	-
Jaffrey - 30-year deferred note payable to the Town of Jaffrey, New Hampshire. Payment of principal and accrued interest at 1% are deferred until the note matures in June 2027. The note is secured by land and buildings. The balance included cumulative accrued interest of \$49,796.	300,645	297,668
Jaffrey - 6% note payable to a bank in monthly installments for principal and interest of \$485 through August 2027. The note is secured by land and buildings.	43,533	46,592
Troy Senior - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in June 2029. The note is secured by real estate of the Organization.	640,000	640,000
Troy Senior - Non-interest bearing note payable to New Hampshire Housing Finance Authority to fund energy efficiency improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization.	140,210	140,210
Keene East Side - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in December 2028. The note is secured by real estate of the Organization.	900,000	900,000
Keene East Side - Non-interest bearing note payable to New Hampshire Community Development Finance Authority (CDFA) to fund energy upgrades and capital improvements. The mortgage may be released after ten years in January 2026. The note is secured by real estate of the Organization.	121,865	34,106

Keene East Side - Non-interest bearing note payable to New Hampshire Housing Finance Authority to fund energy efficiency improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization.

	<u>228,934</u>	<u>228,934</u>
	8,298,788	8,372,707
Less current portion due within one year	<u>211,313</u>	<u>381,611</u>
	<u>\$ 8,087,475</u>	<u>\$ 7,991,096</u>

The schedule of maturities of long term debt at May 31, 2017 is as follows:

Year Ending <u>May 31</u>	<u>Amount</u>
2018	\$ 211,313
2019	104,538
2020	102,568
2021	104,694
2022	98,506
Thereafter	<u>7,677,169</u>
Total	<u>\$ 8,298,788</u>

**NOTE 4 OPERATING LEASES**

The Organization leases facilities, equipment and vehicles under non-cancelable lease agreements at various financial institutions. Lease periods range from month to month to 2022. Monthly lease payments range from \$248 to \$3,521. Lease expense for the years ended May 31, 2017 and 2016 totaled \$179,178 and \$213,038, respectively.

Future minimum payments as of May 31, 2017 on the above leases are as follows:

Year Ending <u>May 31</u>	<u>Amount</u>
2018	\$ 67,678
2019	18,589
2020	18,341
2021	15,618
2022	<u>15,618</u>
Total	<u>\$ 135,844</u>

**NOTE 5**      **ACCRUED COMPENSATED BALANCES**

At May 31, 2017 and 2016, the Organization accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$127,577 and \$125,790, respectively.

**NOTE 6**      **CONTINGENCIES**

At May 31, 2017 and 2016, SCS Housing, Inc. is the general partner of seven limited partnerships (which include Drewsville, Jaffrey, and Troy Senior, 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 approximately \$2,299,000 and \$2,345,000 at May 31, 2017 and 2016, respectively. Partnership real estate with a cost basis of approximately \$16,217,000 and \$17,286,000 provides collateral on these loans at May 31, 2017 and 2016, respectively.

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, 2017 and 2016.

**NOTE 7**      **RELATED PARTY TRANSACTIONS**

During the years ended May 31, 2017 and 2016, SCS Housing, Inc. managed seven limited partnerships. Management fees charged by SCS Housing, Inc. totaled \$308,448 and \$276,881, for the years ended May 31, 2017 and 2016, respectively. Additionally, SCS Housing, Inc. has advanced the limited partnerships funds for cash flow purposes over several years.

The Organization has also advanced funds to a related entity for Department of Housing and Urban Development (HUD) sponsorship purposes.

The total amount due and expected to be collected from the limited partnerships and related entity was \$219,108 and \$292,525 at May 31, 2017 and 2016, respectively.



**NOTE 8****EQUITY INVESTMENT**

SCS and related companies use the equity method to account for their financial interests in the following companies:

	<u>2017</u>
Cityside Housing Associates, LP (Cityside)	\$ (9,481)
Marlborough Homes, LP (Marlborough)	30
Payson Village Senior Housing Associates, LP (Payson)	(12,477)
Railroad Square Senior Housing Associates, LP (Railroad)	(1,527)
Warwick Meadows Housing Associates, LP (Warwick)	(9)
Woodcrest Drive Housing Associates, LP (Woodcrest)	222,850
Winchester Senior Housing Associates, LP (Winchester)	53,888
Swanzey Township Housing Associates, LP (Swanzey)	(31,183)
Snow Brook Meadow Village Housing Associates, LP (Snow Brook)	(60,709)
Keene Highland Housing Associates, LP (Keene Highland)	(226)
Pilot Health, LLC	(18,374)
	<u>\$ 142,782</u>

SCS Housing Development, Inc. is a 0.01% partner of Cityside, Marlborough, Payson, Warwick, and Woodcrest, and a 0.10% partner of Railroad.

SCS Housing, Inc. is a 0.01% partner of Winchester, Swanzey, Snow Brook, and Keene Highland.

Southwestern Community Services, Inc. is 14.3% member of Pilot Health, LLC.

Summarized financial information for entities accounted for under the equity method, as of May 31, 2017, consists of the following:

	<u>2017</u>
Total assets	<u>\$ 33,140</u>
Total liabilities	47,490
Capital/Member's equity	(14,350)
	<u>\$ 33,140</u>
Income	\$ 84,728
Expenses	<u>81,515</u>
Net income	<u>\$ 3,213</u>

**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 \$274,815 and \$283,965 for the years ended May 31, 2017 and 2016, respectively.

**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, 2017 and 2016 totaled \$153,839 and \$211,220, respectively.

**NOTE 11**    **FORGIVENESS OF DEBT**

During the year ended May 31, 2017 the Organization realized forgiveness of debt income in connection with notes payable to the County of Cheshire, HUD and New Hampshire Housing. Forgiveness of debt income totaled \$90,148 for the year ended May 31, 2017.

During the year ended May 31, 2016 the Organization realized forgiveness of debt income in connection with notes payable to the County of Cheshire and HUD. Forgiveness of debt income totaled \$61,209 for the year ended May 31, 2016.

**NOTE 12**    **TRANSFER OF PARTNERSHIP INTEREST**

During 2016, SCS acquired partnership interests in two low income housing limited partnerships: Troy Senior Housing Associates, LP (Troy Senior) and Keene East Side Senior Housing Associates, LP (Keene East Side). The amount paid for each partnership interest was \$1 and at the time of acquisition SCS became the general partner in each partnership.

The following is a summary of the assets and liabilities of each partnership at the date of acquisition:

Date of transfer	<u>09/09/2015</u>	<u>12/31/2015</u>	
	<u>Keene East Side</u>	<u>Troy Senior</u>	<u>Total</u>
Cash	\$ 18,722	\$ 7,368	\$ 26,090
Cash-escrow	280,837	19,347	300,184
Property – net	996,031	982,959	1,978,990
Other assets	<u>38,090</u>	<u>22,557</u>	<u>60,647</u>
Total assets	<u>1,333,680</u>	<u>1,032,231</u>	<u>2,365,911</u>
Notes payable	1,128,934	780,210	1,909,144
Other liabilities	<u>19,778</u>	<u>27,065</u>	<u>46,843</u>
Total liabilities	<u>1,148,712</u>	<u>807,275</u>	<u>1,955,987</u>
Partners' capital	<u>\$ 184,968</u>	<u>\$ 224,956</u>	<u>\$ 409,924</u>

**NOTE 13**    **RECLASSIFICATION**

Certain amounts and accounts from the prior year's financial statements were reclassified to enhance comparability with the current year's financial statements.

**NOTE 14**    **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 October 11, 2017, the date the financial statements were available to be issued.

**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, 2017  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2017 Total	2016 Total
<b>REVENUES</b>										
Government contracts	\$ 3,910,620	\$ 2,684,588	\$ 1,786,879	\$ 51,425	\$ 612,470	\$ 216,943	\$ 9,262,925	\$ 459,898	\$ 9,722,823	\$ 9,060,110
Program service fees	1,601	4,997	51,729	1,012,664	48,690	658,589	1,779,300	83,936	1,862,236	2,030,772
Rental income	-	-	119,345	542,087	-	-	661,432	500	661,932	1,007,200
Developer Income	-	-	-	265,000	-	-	265,000	-	265,000	254,004
Support	45,125	11,831	85,498	-	91,962	157,335	391,751	8,385	400,116	517,802
Fundraising	-	-	5,383	-	-	74,787	80,170	-	80,170	67,765
Interest income	18	3	94	167	-	27	309	6,390	6,699	4,710
Forgiveness of debt	-	-	90,148	-	-	-	90,148	-	90,146	264,795
Miscellaneous	2,490	8,382	2,325	22,688	26,713	7,270	69,868	70,669	140,537	61,209
In-kind contributions	-	162,966	-	-	-	-	162,966	-	162,966	215,667
Total revenues and other support	<u>3,959,854</u>	<u>2,672,767</u>	<u>2,141,401</u>	<u>1,894,051</u>	<u>779,835</u>	<u>1,114,961</u>	<u>12,762,889</u>	<u>629,758</u>	<u>13,392,627</u>	<u>13,484,234</u>
<b>EXPENSES</b>										
Payroll	\$ 340,420	\$ 1,075,322	\$ 439,832	\$ 730,969	\$ 295,530	\$ 472,329	\$ 3,354,402	\$ 788,541	\$ 4,142,943	\$ 4,070,765
Payroll taxes	35,261	125,019	43,209	68,259	34,673	51,734	358,155	71,141	429,298	413,335
Employee benefits	127,786	355,513	170,874	271,958	87,322	213,776	1,207,009	47,209	1,254,218	1,120,587
Retirement	23,813	80,026	28,243	62,164	9,256	18,823	202,325	72,490	274,815	283,965
Advertising	-	7,461	2,489	1,315	1,114	17,017	29,396	121	29,517	33,432
Bank charges	-	1,438	60	3,685	-	-	5,183	6,944	12,127	13,837
Bad debt expense	-	-	-	-	-	-	-	-	-	27,660
Commercial subsidy	-	-	-	-	-	-	-	-	-	14,742
Computer cost	-	18,878	3,684	2,047	18,885	-	43,492	71,651	115,143	136,764
Contractual	295,313	13,334	84,355	61,418	25,339	71,879	531,638	55,628	587,264	521,327
Depreciation	-	27,104	108,291	119,250	-	14,245	266,890	146,830	415,720	597,297
Owes/registration	-	4,740	703	610	988	2,040	9,081	9,998	19,077	18,619
Duplicating	23	8,160	-	-	-	-	8,183	1,659	9,842	17,523
Insurance	8,007	17,398	23,302	46,897	11,299	7,855	115,558	31,617	147,175	189,624
Interest	-	7,063	8,754	5,728	-	2,015	23,660	117,725	141,285	253,726
Meeting & conference	1,871	286	6,183	10,894	851	3,517	23,602	25,520	49,122	91,582
Miscellaneous expense	1,148	603	2,406	130,835	1,740	24,855	161,587	6,747	168,334	195,315
Miscellaneous taxes	-	-	-	32,477	-	-	32,477	379	32,856	99,243
Equipment purchases	727	263	675	7,865	-	-	9,530	461	9,991	13,147
Office expense	5,308	17,095	6,358	4,798	10,084	14,307	57,946	15,405	73,351	70,256
Postage	68	331	102	14	1,038	99	1,652	22,677	24,329	25,403
Professional fees	2,673	-	2,500	44,515	-	-	49,688	84,653	134,341	140,599
Staff development and training	4,795	2,534	6,511	1,323	1,618	15,800	34,579	18,893	51,472	65,945
Subscriptions	-	-	-	845	-	-	845	1,552	2,397	2,293
Telephone	2,217	17,258	25,748	15,347	5,058	4,327	69,953	44,119	114,072	61,160
Travel	5,502	19,088	16,001	5,018	24,201	2,805	72,613	4,431	77,044	61,394
Vehicle	2,345	2,917	2,033	27,020	23,102	10,160	67,577	17,994	85,571	77,536
Rent	-	25,250	-	-	-	-	25,250	-	25,250	28,550
Space costs	-	217,475	234,349	365,323	2,500	1,200	820,847	113,725	934,572	889,970
Direct client assistance	2,954,453	180,038	858,065	52,808	37,289	15,134	4,097,767	-	4,097,767	3,741,723
In-kind expenses	-	162,966	-	-	-	-	162,966	-	162,966	215,667
<b>TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION</b>	<u>3,812,708</u>	<u>2,367,558</u>	<u>2,058,525</u>	<u>2,073,176</u>	<u>571,865</u>	<u>983,917</u>	<u>11,845,751</u>	<u>1,776,106</u>	<u>13,621,857</u>	<u>13,491,166</u>
Allocation of management and general expenses	<u>571,663</u>	<u>354,983</u>	<u>308,347</u>	<u>310,844</u>	<u>85,743</u>	<u>144,526</u>	<u>1,776,106</u>	<u>(1,776,106)</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 4,384,371</u>	<u>\$ 2,722,541</u>	<u>\$ 2,366,872</u>	<u>\$ 2,384,022</u>	<u>\$ 657,608</u>	<u>\$ 1,108,443</u>	<u>\$ 13,621,857</u>	<u>\$ -</u>	<u>\$ 13,621,857</u>	<u>\$ 13,491,166</u>

See Independent Auditors' Report

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE ELECTRIC ASSISTANCE PROGRAM  
FOR THE YEAR ENDED MAY 31, 2017**

<b>Revenues</b>	<b><u>\$ 216,348</u></b>
<b>Expenditures</b>	
Salaries	\$ 91,467
Fringe benefits	59,391
Travel	1,938
Other	<u>62,508</u>
	<b><u>\$ 215,304</u></b>

**Note:**

For the year ended May 31, 2017, 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, 2017.

See Independent Auditors' Report

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MAY 31, 2017**

<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>
<b>U.S. Department of Agriculture</b>				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	State of NH Dept. of Health & Human Services	010-090-82600000-102-500734	\$ 368,067
Child and Adult Care Food Program	10.558	State of NH, Dept of Education	Unknown	108,122
Food Distribution Cluster				
Commodity Supplemental Food Program	10.565	State of NH Dept. of Health & Human Services	010-090-52600000-102-500734	\$ 110,048
Emergency Food Assistance Program (Food Commodities)	10.569	Community Action Program Belknap-Merrimack Counties	Unknown	89
				<u>110,135</u>
Total U.S. Department of Agriculture				\$ 582,324
<b>U.S. Department of Housing and Urban Development</b>				
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Bureau of Homeless & Housing	05-05-95-058310-717800000-102-80731	\$ 193,373
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Office of Human Services	010-042-7927-102-0731	101,108
Supportive Housing Program	14.235	State of NH, DHHS, Bureau of Homeless & Housing	05-05-95-058310-717800000-102-80731	259,926
Shelter Plus Care	14.238	State of NH, DHHS, Bureau of Homeless & Housing	05-05-95-058310-717800000-102-80731	289,562
Continuum of Care Program	14.287	State of NH, DHHS, Bureau of Homeless & Housing	05-05-95-058310-717800000-102-80731	188,896
Total U.S. Department of Housing and Urban Development				\$ 984,877
<b>U.S. Department of Labor</b>				
WIA Cluster				
WIA Adult Program	17.258	Southern NH Services	Unknown	\$ 58,591
WIA Dislocated Worker Formula Grants	17.278	Southern NH Services	Unknown	46,128
Total U.S. Department of Labor/WIA Cluster				\$ 104,719
<b>U.S. Department of Transportation Federal Transit Administration (FTA)</b>				
Formula Grants for Rural Areas	20.508	State of NH, Department of Transportation	04-98-98-994010-2910	\$ 158,853
Transit Services Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	State of NH, Department of Transportation	04-98-98-994010-2910	19,626
Total U.S. Department of Transportation Federal Transit Administration (FTA)				\$ 178,479
<b>U.S. Department of Veterans Affairs</b>				
VA Supportive Services for Veteran Families Program	64.033	N/A	N/A	\$ 239,223
Total U.S. Department of Veterans Affairs				\$ 239,223
<b>U.S. Department of Energy</b>				
Weatherization Assistance for Low-Income Persons	81.042	State of NH, Office of Energy & Planning	01-02-024010-7706-074-500587	\$ 140,357
Total U.S. Department of Energy				\$ 140,357
<b>U.S. Department of Health &amp; Human Services</b>				
Aging Cluster				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	63.044	State of NH, Office of Energy & Planning	01-02-024010-7706-074-500587	\$ 5,400
Grants to States to Support Oral Health Workforce Activities	63.238	State of NH, DHHS, Division of Family Assistance	Unknown	2,935
Drug-Free Communities Support Program Grants	63.276	N/A	N/A	142,071
Affordable Care Act (ACA) - Consumer Assistance Program Grants	63.510	N/A	N/A	16,004
TANF Cluster				
Temporary Assistance for Needy Families	63.558	Southern NH Services	Unknown	322,915
Low Income Home Energy Assistance	63.568	State of NH, Office of Energy & Planning	1025874	\$ 3,291,866
Low Income Home Energy Assistance	63.568	State of NH, Office of Energy & Planning	1025868	183,087
Community Services Block Grant	63.599	State of NH, DHHS, Div. of Family Assistance	600731	322,907
CSBG - Discretionary	63.570	State of NH, DHHS, Div. of Family Assistance	600731	39,498
Head Start	63.500	N/A	N/A	2,127,540
Block Grants for Prevention and Treatment of Substance Abuse	63.959	State of NH, DHHS, Bureau Drug and Alcohol Services	05-95-46-4816-10-29890000	60,783
Total U.S. Department of Health & Human Services				\$ 6,513,858
<b>U.S. Department of Homeland Security</b>				
Emergency Food and Shelter National Board Program	07.024	State of NH, DHHS, Office of Human Services	Unknown	\$ 1,078
Total U.S. Department of Homeland Security				\$ 1,078
<b>TOTAL</b>				<b>\$ 8,743,013</b>

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, 2017**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Southwestern Community Services, Inc. under programs of the federal government for the year ended May 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southwestern Community Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 INDIRECT COST RATE**

Southwestern Community Services, Inc. has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4 FOOD DONATION**

Nonmonetary assistance is reported in the Schedule at the fair 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. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statement of financial position as of May 31, 2017, 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 October 11, 2017.

**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 Southwestern Community Services, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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*

October 11, 2017  
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 THE UNIFORM GUIDANCE**

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. (a New Hampshire nonprofit corporation) and related companies' compliance with the types of compliance requirements described in the *OMB 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, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 of 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, 2017.

### 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 were not identified.

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

*Leone McDonnell & Roberts  
Professional Association*

October 11, 2017  
Wolfeboro, New Hampshire

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MAY 31, 2017**

**SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unmodified opinion on whether the consolidated financial statements of Southwestern Community Services, Inc. were prepared in accordance with GAAP.
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 the Uniform Guidance*. 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 that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were: U.S. Department of Health and Human Services; Low-Income Home Energy Assistance, 93.568, and Head Start, 93.600.
8. The threshold for distinguishing Type A and B programs was \$750,000.
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, 2016**

**Department of Health and Human Services**

**2016-001 Head Start - CFDA No. 93.600 (material weakness)**

**Condition:** In testing drawdowns for the Head Start program, it was noted that eight drawdowns lacked supporting documentation of the Head Start expenditures for which the drawdown was requested.

**Auditors' Recommendation:** It was recommended that the Organization needed to strengthen controls over its cash management processes to ensure compliance with federal requirements. It was recommended that procedures be implemented so that each Head Start drawdown requires approval of either a member of the finance committee or the Head Start Program Director. Each drawdown must be accompanied by supporting documentation of the expenditures for which the drawdown is being made.

**Current Status:** The recommendation was adopted in December 2015.

**Southwestern Community Services, Inc. Board of Directors - Composition - 2018 -**

**CHESHIRE COUNTY**

**SULLIVAN COUNTY**

**CONSTITUENT  
SECTOR**

**Beth Fox**  
Assistant City Manager/  
Human Resources Director  
City of Keene

**Mary Lou Huffling**  
Fall Mountain Emergency Food Shelf  
Alstead Friendly Meals

**Daniel Stewart**  
Chair, Head Start Policy Council  
Parent Representative

**Penny Despres**  
New Hope New Horizons  
Program Representative

**PRIVATE  
SECTOR**

**Elaine Amer, Clerk/Treasurer**  
Amer Electric Company (*retired*)

**Anne Beattie**  
Newport Service Organization

**Kevin Watterson, Chair**  
Clarke Companies (*retired*)

**Scott Croteau, Vice Chairperson**  
VP Savings Bank of Walpole (*retired*)

**PUBLIC  
SECTOR**

**Jay Kahn**  
State Senator, District 10

**Raymond Gagnon**  
State Representative, District 5

**David Edkins**  
Walpole, NH

**Derek Ferland**  
Sullivan County Manager

**Kerry Belknap Morris, M.Ed.**  
Program Director,  
Early Childhood Education  
River Valley Community College

# Rob Waters

## Education

Keene State College  
Fall Mountain Reg. High School      Graduate 1998      Keene, New Hampshire  
Langdon NH

## Employment History

2017-Present    SCS                      **Coordinated Entry Manager**      Keene, New Hampshire

- ❖ Act as the main point of contact for individuals and families experiencing homelessness or who are in need of homeless prevention assistance for Cheshire and Sullivan counties
- ❖ Make appropriate housing program referrals
- ❖ Oversee SHP case managers and Shelter Managers to ensure proficient workflow and processes in regards to housing individuals and families
- ❖ Physically outreach to known and unknown sites offering assistance to those displaced by their homeless situation
- ❖ Administer the EHP RRH program
- ❖ Assist superior staff with any other tasks as appropriate
- ❖ Case manage clients enrolled in the EHP program, and provide as needed case management to clients if so needed
- ❖ Timely intakes and exits for outreach programs

2015-2017    SCS                      **Shelter Manager & Homeless Outreach**      Claremont, New Hampshire

- ❖ Outreach to known/unknown sites in Sullivan county, offering assistance to those displaced by homelessness
- ❖ Uphold the rules and regulations of our shelters as laid out by BHS and HUD
- ❖ Timely intakes and exits for both outreach and shelter programs
- ❖ Work closely with the SHP program to identify qualified persons for various SHP programs
- ❖ Oversee resident manager staff
- ❖ Assist in administering the EHP RRH program
- ❖ Monitor budgets in regards to the shelter
- ❖ Case manager all shelter clients in an effort to help them build up and move forward from their homeless experience

2007-2015    Aarons Sales and Lease      **Assistant Manager/Trainer**      Maine,  
New Hampshire, Vermont



- ❖ Supervised staff
- ❖ Responsible for opening and closing store
- ❖ Responsible for balancing registers and bank deposits
- ❖ Assisted customers with merchandise selection and purchases
- ❖ Train sales and collections staff
- ❖ Help under performing stores turn performance around
- ❖ Retrain management
- ❖ Control service logs and loaner items to provide the highest level of service to our customers
- ❖ Set and achieve aggressive sales and renewal goals

### **Affiliation and Volunteer Experience**

2013-2014. Arms for Kids non profit	<b>ASST Director</b>	Arms for Kids
Built for Zero team subcommittee	<b>Member</b>	BHS, DHHS
CCAR Recovery Coach training	<b>Trainer</b>	<b>CCAR/SCS</b>

**Contractor Name: Southwestern Community Services, Inc. [Coordinated Entry]**

**Key Personnel**

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
John Manning	CEO	\$132,080	0	0
Meg Freeman	CFO	\$90,854	0	0
Craig Henderson	Director of Housing Stabilization	\$50,003	0	0
Rob Waters	Coordinated Entry Manager	\$36,920	100%	\$36,920

Subject: Continuum of Care, Permanent Supportive Housing Program (SPC), SS-2019-BHHS-03-Perma-20

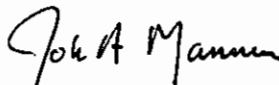
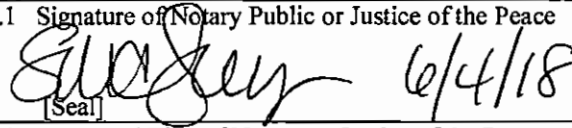
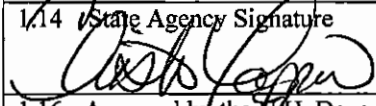
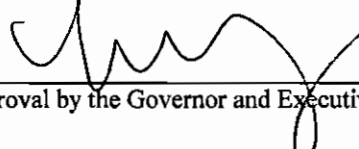
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

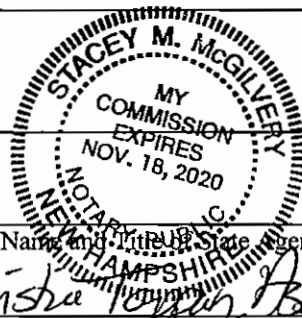
**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Southwestern Community Services, Inc.		1.4 Contractor Address 63 Community Way P.O. Box 603 Keene, NH 03431-0603	
1.5 Contractor Phone Number (603) 352-7512	1.6 Account Number 05-95-42-423010-7927-102-500731	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$274,024
1.9 Contracting Officer for State Agency E. Maria Reinemann, Esq. Director of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9330	
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  On June 4, 2018 , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace 			
1.13.2 Name and Title of Notary or Justice of the Peace Stacey McGilvery, Notary			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Christa Lopez, Associate Commissioner Date: 6/6/18	
1.16 Approval by the NH. 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. Yale, Attorney 6/7/18			
1.18 Approval by the Governor and Executive Council (if applicable)  By: _____ On: _____			



gm  
6/7/18

**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.



**SCOPE OF SERVICES**

**Permanent Supportive Housing Program**

**1. Provisions Applicable to All Services**

- 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.2. 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, through the Bureau of Housing Supports, has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. The Contractor shall submit a detailed description of the language assistance services they will provided to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date; submitted to:  
  
NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301
- 1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

**2. Scope of Services**

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) CoC Program, the Contractor shall provide a Permanent Housing, Permanent Supportive Housing or Rapid Re-Housing project which includes, but is not limited to:
  - 2.1.1. Utilization of the "Housing First" model, which shall at a minimum, not impose barriers to entering housing, beyond those required by regulation or statute, and will only terminate project participation for the most severe reasons once available options have been exhausted to help a participant maintain housing.  
  
"Housing First" details can be accessed at:  
<https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf>
  - 2.1.2. The development of a stabilization plan and crisis management plan with the participant, at intake and, at a minimum, annually. An ongoing Assessment of Housing and Supportive Services is required, with the ultimate goal being assistance to the participant in obtaining the skills necessary to live in the community independently.
  - 2.1.3. The CoC Program interim rule, 24 CFR Part 578, requires that all CoCs implement a Coordinated Entry System (CES) in collaboration with any projects funded by the CoC Program, ESG Program, and HOPWA Program.  
  
24 CFR Part 578 can be accessed at:  
<https://www.hudexchange.info/resources/documents/CoCProgramInterimRule FormattedVersion.pdf>



Exhibit A

- 2.1.4. The subrecipient is required to comply with applicable civil rights laws, per CFR Section 578.93, addressing nondiscrimination and equal opportunity requirements. Section 578.93(a) states that the nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105 (a) apply. This includes, but is not limited to, the Fair Housing Act, Title VI of Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 (Section 504), and title II of the Americans with Disabilities Act.
- 2.1.5. The subrecipient must establish and maintain standard operating procedures for ensuring that CoC program funds are used in accordance with the requirements of 24 CFR 578 and must establish and maintain sufficient records to enable HUD and BHS to determine whether the subrecipient is meeting the requirements, including:
  - 2.1.5.1. Continuum of Care records: Each collaborative applicant must keep the following documentation related to establishing and operating a CoC;
  - 2.1.5.2. Evidence that the Board selected by the Continuum of Care meets the requirements of § 578.5(b);
  - 2.1.5.3. Evidence that the Continuum has been established and operated as set forth in subpart B of this part, including published agendas and meeting minutes, an approved Governance Charter that is reviewed and updated annually, a written process for selecting a board that is reviewed and updated at least once every five (5) years, evidence required for designating a single Homeless Management Information System (HMIS) for the Continuum, and monitoring reports of recipients and subrecipients; and
  - 2.1.5.4. Evidence that the Continuum has prepared the application for funds as set forth in § 578.9, including the designation of the eligible applicant to be the collaborative applicant.
- 2.2. Unified funding agency records (UFAs) that requested grant amendments from HUD, as set forth in § 578.105, must keep evidence that the grant amendment was approved by the Continuum. This evidence may include minutes of meetings at which the grant amendment was discussed and approved.
- 2.3. Homeless status. Acceptable evidence of homeless status is set forth in 24 CFR 576.500(b).
- 2.4. At risk of homelessness status. For those recipients and subrecipients that serve persons at risk of homelessness, the recipient or subrecipient must keep records that establish "at risk of homelessness" status of each individual or family who receives CoC homelessness prevention assistance. Acceptable evidence is found in 24 CFR 576.500(c).
- 2.5. Records of reasonable belief of imminent threat of harm. For each program participant who moved to a different CoC due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking under § 578.51(c)(3), each recipient or subrecipient of assistance under this part must retain:
  - 2.5.1. Documentation of the original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file. This may be written observation of the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; court records or law enforcement records; or written certification by the program participant to whom the violence occurred or by the head of household.
  - 2.5.2. Documentation of the reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking, which would include threats from a third-party, such as a friend or family member of the perpetrator of the violence. This may be written observation

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Exhibit A

- by the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.
- 2.6. Annual income. For each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, the recipient or subrecipient must keep the following documentation of annual income:
- 2.6.1. Income evaluation form specified by HUD and completed by the recipient or subrecipient; and
  - 2.6.2. Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement) for the assets held by the program participant and income received before the date of the evaluation;
  - 2.6.3. To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period; or
  - 2.6.4. To the extent that source documents and third-party verification are unobtainable, the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the three (3) month period following the evaluation.
- 2.7. Program participant records. In addition to evidence of homelessness status or at-risk-of-homelessness status, as applicable, the recipient or subrecipient must keep records for each program participant that document:
- 2.7.1. The services and assistance provided to that program participant, including evidence that the recipient or Subrecipient has conducted an annual assessment of services for those program participants that remain in the program for more than a year and adjusted the service package accordingly, and including case management services as provided in § 578.37(a)(1)(ii)(F); and
  - 2.7.2. Where applicable, compliance with the termination of assistance requirement in § 578.91.
- 2.8. Housing standards. The recipient or subrecipient must retain documentation of compliance with the housing standards in § 578.75(b), including inspection reports.
- 2.9. Services provided. The recipient or subrecipient must document the types of supportive services provided under the recipient's program and the amounts spent on those services. The recipient or subrecipient must keep record that these records were reviewed at least annually and that the service package offered to program participants was adjusted as necessary.
- 2.10. Match. The recipient must keep records of the source and use of contributions made to satisfy the match requirement in § 578.73. The records must indicate the grant and fiscal year for which each matching contribution is counted. The records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.
- 2.11. Conflicts of interest. The recipient and its subrecipients must keep records to show compliance with the organizational conflict-of-interest requirements in § 578.95(c), the Continuum of Care board conflict-of-interest requirements in § 578.95(b), the other conflict requirements in §



Exhibit A

- 578.95(d), a copy of the personal conflict-of-interest policy developed and implemented to comply with the requirements in § 578.95, and records supporting exceptions to the personal conflict-of-interest prohibitions.
- 2.12. Homeless participation. The recipient or subrecipient must document its compliance with the homeless participation requirements under § 578.75(g).
- 2.13. Faith-based activities. The recipient and its subrecipients must document their compliance with the faith-based activities requirements under § 578.87(b).
- 2.14. Affirmatively Furthering Fair Housing. Recipients and subrecipients must maintain copies of their marketing, outreach, and other materials used to inform eligible persons of the program to document compliance with the requirements in § 578.93(c).
- 2.15. Other federal requirements. The recipient and its subrecipients must document their compliance with the federal requirements in § 578.99, as applicable.
- 2.16. Subrecipients and contractors.
- 2.16.1. The recipient must retain copies of all solicitations of and agreements with subrecipients, records of all payment requests by and dates of payments made to subrecipients, and documentation of all monitoring and sanctions of subrecipients, as applicable.
- 2.16.2. The recipient must retain documentation of monitoring subrecipients, including any monitoring findings and corrective actions required.
- 2.16.3. The recipient and its subrecipients must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR part 84.
- 2.17. Other records specified by HUD. The recipient and subrecipients must keep other records specified by HUD.
- 2.18. Confidentiality. In addition to meeting the specific confidentiality and security requirements for HMIS data, the recipient and its subrecipients must develop and implement written procedures to ensure:
- 2.18.1. All records containing protected identifying information of any individual or family who applies for and/or receives Continuum of Care assistance will be kept secure and confidential;
- 2.18.2. The address or location of any family violence project assisted with Continuum of Care funds will not be made public, except with written authorization of the person responsible for the operation of the project; and
- 2.18.3. The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with State and local laws regarding privacy and obligations of confidentiality;
- 2.19. Period of record retention. All records pertaining to Continuum of Care funds must be retained for the greater of five (5) years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.
- 2.19.1. Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for five (5) years after the expenditure of all funds from the grant under which the program participant was served; and
- 2.19.2. Where Continuum of Care funds are used for the acquisition, new construction, or rehabilitation of a project site, records must be retained until fifteen (15) years after the date that the project site is first occupied, or used, by program participants.



Exhibit A

2.20. Access to records.

2.20.1. Federal Government rights. Notwithstanding the confidentiality procedures established under paragraph (2.18.) of this section, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the recipient and its subrecipients that are pertinent to the Continuum of Care grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period, but last as long as the records are retained.

2.20.2. Public rights. The recipient must provide citizens, public agencies, and other interested parties with reasonable access to records regarding any uses of Continuum of Care funds the recipient received during the preceding five (5) years, consistent with State and local laws regarding privacy and obligations of confidentiality and confidentiality requirements in this part.

2.21. Based on the continued receipt/availability of federal funds from HUD COC Program Competition, over the grant period, the Contractor shall provide a permanent housing program that is targeted to serve forty-two (42) homeless individuals and/ or families.

2.22. The Contractor shall support the primary goal of this program which is to facilitate the movement of homeless and chronically homeless individuals and families to permanent housing and maximum self-sufficiency.

2.23. The Contractor shall maintain adherence to federal and state financial and confidentiality laws, and agrees to comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the 2017 NOFA Project Application approved by HUD.

2.24. The Contractor shall provide services according to HUD regulations as outlined in Public Law 102-550 and 24 CFR Part 578: Continuum of Care Program and other written HUD policies and directives as appropriate.

Public Law 102-550 can be accessed at:

<https://www.congress.gov/public-laws/102nd-congress>

The Electronic Code of Federal Regulations can be accessed at:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=2bfae50cb70b6febaa82e6a7c0cf6b6b&mc=true&node=pt24.3.578&rgn=div5>

3. Program Reporting Requirements

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the subrecipient is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.3 Exhibit A; and

3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.

NH HMIS policy can be accessed at:

<http://www.nh-hmis.org>

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is



Exhibit A

required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.

- 3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by BHS.
- 3.4. The Contractor shall cooperate fully with and answer all questions of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.

**4. Contract Administration**

- 4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with Contractor performance.
- 4.3. The Contractor shall inform BHS of any staffing changes within thirty (30) days of the change.
- 4.4. Contract records shall be retained for a period of five (5) years or as required by state or federal law, following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and BHS.



Exhibit B

**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**1. Permanent Supportive Housing Program**

1.1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement pursuant to Exhibit A, Scope of Services, the State agrees to pay the Contractor an amount not to exceed Form P-37, Block 1.8, Price Limitation and for the time period specified below.

1.1.1. This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund:	0%
Federal Funds:	100%
CFDA #:	14.267
Grant Number:	NH0057L1T001708
Federal Agency:	U.S. Department of Housing & Urban Development (HUD)
Program Title:	Continuum of Care, Permanent Supportive Housing
Total Amount Continuum of Care; July 1, 2018 – June 30, 2019:	not to exceed \$274,024
Funds allocation under this agreement for Continuum of Care Program;	
Administrative Expenses:	\$13,672
Leasing Expenses:	\$0
Operating Expenses:	\$0
Rental Assistance:	\$260,352
Supportive Services:	<u>\$0</u>
Total program amount:	\$274,024

1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

**2. Reports**

2.1. As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

2.1.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with 2 CFR part 200 which can be accessed at:

[https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State at the following address:

NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301



**Exhibit B**

2.2. Where the Contractor is not subject to the requirements of 2 CFR part 200, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

**3. Project Costs: Payment Schedule; Review by the State**

3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of 2 CFR part 200.

3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 578.87(c).

3.3. The subrecipient must match all grant funds, except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources. Cash match must be used for the cost of activities that are eligible under subpart D of 24 CFR 578.

3.4. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578, and in compliance with the budget detail and narrative, as outlined in the 2017 NOFA Project Application approved by HUD, the State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of P.L. 102-550 and other applicable regulations.

3.4.1. Payment of Project Costs shall be made through the utilization of funds as provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount and time period not to exceed as specified above in section 1.1.1. Exhibit B.

3.4.2. Authorized expenses shall be those expenses as detailed in Exhibit B-1, Budget.

3.5. Schedule of Payments: Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor agrees to keep records of their activities related to Department programs and services, and shall provide additional financial information if requested by the State to verify expenses. Invoices shall be submitted promptly to the address listed above in section 2.1.1. Exhibit B.

3.6. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all

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**Exhibit B**

payments made to date. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture.

- 3.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.

**4. Use Of Grant Funds**

- 4.1. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.
- 4.2. Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

**5. Expense Eligibility**

- 5.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize Continuum of Care Program agreement value specified in Exhibit B of this agreement from the HUD Continuum of Care Program, for contract services.

**5.1.1. Operating Expenses**

- 5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.
- 5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

**5.1.2. Supportive Services**

- 5.1.2.1. Eligible supportive services costs must comply with all HUD regulations in 24 CFR 578.53. Eligible services are available to those individuals actively participating in the permanent housing program.
- 5.1.2.2. Eligible costs include:
- 5.1.2.3. mental health services;
- 5.1.2.4. case management services;
- 5.1.2.5. salaries of Contractor staff providing supportive services;
- 5.1.2.6. reasonable one-time moving costs (truck rental and hiring a moving company);
- 5.1.2.7. child-care costs for establishing and operating child care;



**Exhibit B**

- 5.1.2.8. providing child-care vouchers for children from families experiencing homelessness (including meals, snacks, comprehensive and coordinated developmental activities);
  - 5.1.2.9. education services;
  - 5.1.2.10. employment assistance and job training skills;
  - 5.1.2.11. housing search and counseling services;
  - 5.1.2.12. legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing);
  - 5.1.2.13. outpatient health services; and
  - 5.1.2.14. transportation services and utility deposits.
  - 5.1.2.15. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.
- 5.1.3. Rental Assistance
- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
  - 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
  - 5.1.3.3. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
  - 5.1.3.4. Rental assistance will only be provided for a unit if the rent is reasonable. The Contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.
  - 5.1.3.5. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits.
  - 5.1.3.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
  - 5.1.3.7. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
  - 5.1.3.8. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require





**Exhibit B**

program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid Re-Housing program component must be tenant based rental assistance.

- 5.1.3.9. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.1.3.10. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.1.3.11. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.
- 5.1.4. Administrative Costs
  - 5.1.4.1. Administrative costs include:
    - 5.1.4.2. preparing program budgets;
    - 5.1.4.3. schedules and amendments;
    - 5.1.4.4. developing systems for assuring compliance with program requirements;
    - 5.1.4.5. developing interagency agreements and agreements with subrecipients and Contractors to carry out program activities;
    - 5.1.4.6. preparing reports and other documents related to the program for submission to HUD;
    - 5.1.4.7. evaluating program results against stated objectives;
    - 5.1.4.8. travel costs incurred for official business in carrying out the program;
    - 5.1.4.9. administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services) and;
    - 5.1.4.10. other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).
- 5.1.5. Leasing: Leasing may include leasing one structure or leasing units scattered throughout a community.
  - 5.1.5.1. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Contractor.
  - 5.1.5.2. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.
  - 5.1.5.3. The Contractor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.
  - 5.1.5.4. Property damages may only be paid from money paid to landlord for security deposits.
  - 5.1.5.5. The Contractor cannot lease a building that it already owns to itself.



**Exhibit B**

5.1.5.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.

5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).

5.2.1. The Contractor must match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.

5.2.2. Match requirements are to be documented with each payment request.

5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 5. Expense Eligibility, Exhibit B. The Contractor must have written approval from the State prior to billing for any other expenses.

5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.

5.5. The Contractor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.

**6. Contractor Financial Management System**

6.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.

6.2. The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3, Project Costs: Payment Schedule; Review by the State, of this Agreement.

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Bureau of Housing Supports  
 Continuum of Care Program  
 Payment Request Form  
 2017 NFOA

Exhibit B-1 Budget

**For BHS use only**  
**Vendor # 177511 - R001**  
**Contract # Line # 1**  
**Invoice:SCSSPC**  
**Descript: NH0057L1T001708**  
**Account: 010-042-7927-102-500731**  
**Add Activities**  
**Amount \$**  
**Job #**  
**Amount \$**  
**Job #**

Authorizing Signature(s)		
	BHS ONLY	
Amount	Staff Initials	Date
\$ -	KS	
Amy O'Hara, Financial Manager		Date

Southwestern Community Services: Shelter Plus Care							
Service Period							
7/1/18-6/30/19							
Column A	Column B	Column C		Column E	Column F		Column H
Activity Name	Activity Budget	Prior billing this contract	MATCH APPLIED Previously	Budgeted Balance Available	Requested This Invoice	Match Applied this Invoice	New Available Balance
Rent Subsidies Award	\$ 260,352.00			\$ 260,352.00			\$ 260,352.00
Administration Award	\$ 13,672.00			\$ 13,672.00			\$ 13,672.00
SPC Required Match	\$ 68,506.00		\$0.00	\$ 68,506.00			\$ 68,506.00
<b>Total HUD Funding</b>	<b>\$ 274,024.00</b>	<b>\$0.00</b>		<b>\$ 274,024.00</b>			<b>\$ 274,024.00</b>
				Please pay this amount now	\$		

SCS PSH (SPC)  
 SS-2019-BHHS-03-Perma-20

Contractor Initials gm  
 Date 6/4/18



**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.

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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

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- 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.





**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.



**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



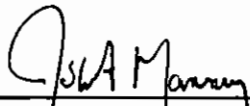
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
    - 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.

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

  
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

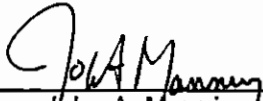
The undersigned certifies, to the best of his or her knowledge and belief, that:

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-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

  
Name: John A. Manning  
Title: Chief Executive Officer



**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**

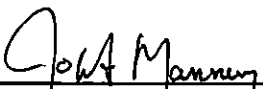
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
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

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

  
Name: John A. Manning  
Title: Chief Executive Officer



**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

Contractor Initials gm

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

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.

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

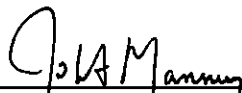
  
Name: John A. Manning  
Title: Chief Executive Officer

Exhibit G

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

Contractor Initials Jm





**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

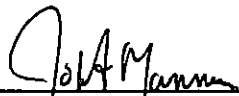
  
Name: John A. Manning  
Title: Chief Executive Officer



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.



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

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

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

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

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

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



Exhibit I

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

**(6) Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



Exhibit I

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

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

Department of Health and Human Services  
The State

*Christie Pappas*  
Signature of Authorized Representative

*Christie Pappas*  
Name of Authorized Representative

*Associate Commissioner*  
Title of Authorized Representative

*6/6/18*  
Date

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

*June 4, 2018*  
Date



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

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

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

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

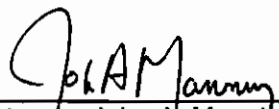
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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

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

Contractor Name: Southwestern Community Services, Inc.

6/4/18  
Date

  
Name: John A. Manning  
Title: Chief Executive Officer





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: _____



A. Definitions

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

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

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

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



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

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

## I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

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

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



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

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

## II. METHODS OF SECURE TRANSMISSION OF DATA

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

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Exhibit K

DHHS Information Security Requirements

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

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

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

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

**A. Retention**

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



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

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

**B. Disposition**

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

**IV. PROCEDURES FOR SECURITY**

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



Exhibit K

DHHS Information Security Requirements

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

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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.





Exhibit K

DHHS Information Security Requirements

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

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

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

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

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



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

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

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov

*Jm*

6/4/18

# State of New Hampshire

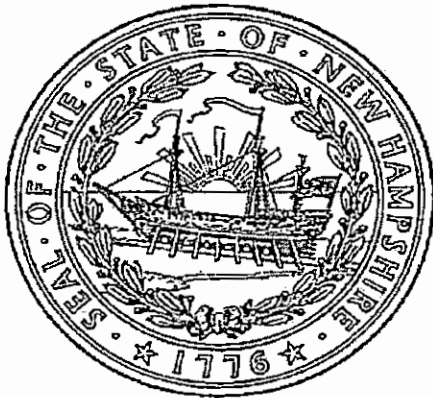
## Department of State

### 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 registered to transact business in New Hampshire on May 19, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 65514

Certificate Number : 0004080353



IN TESTIMONY WHEREOF,  
I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 12th day of April A.D. 2018.

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, Clerk Secretary, 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 February 18, 2016 :  
(Date)

**RESOLVED:** That the Chief Executive Officer  
(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 4th day of June, 2018.  
(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 4th day of June, 2018.

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

Stacey McGilvery  
Stacey McGilvery, Notary

(NOTARY SEAL)

Commission Expires: 11/18/2020



EM  
2/18/18



# Southwestern Community Services

Southwestern Community Services (SCS), one of New Hampshire's five community action agencies, has served the needs of Cheshire and Sullivan county citizens since 1965. Our history began when President Lyndon Johnson commenced waging his war on poverty. As the battles continue, so do our efforts as advocates for those in need. Southwestern Community Services is a tax-exempt organization under section 501(c)3 of the Internal Revenue Code.

**Our vision:** SCS seeks to create and support a climate within the communities of southwestern New Hampshire wherein poverty is never accepted as a chronic or permanent condition of any person's life.

**Our mission:** 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 in close collaboration with local communities, SCS will provide leadership and support to develop resources, programs, and services to further aid this population.

*Financial Statements*

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**SOUTHWESTERN COMMUNITY SERVICES, INC.  
AND RELATED COMPANIES**

**FOR THE YEARS ENDED  
MAY 31, 2017 AND 2016  
AND  
INDEPENDENT AUDITORS' REPORT**

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MAY 31, 2017 AND 2016**

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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. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statements of financial position as of May 31, 2017 and 2016, and the related consolidated statements of cash flows, and notes to the consolidated financial statements for the years then ended, and the related consolidated statements of activities and functional expenses for the year ended May 31, 2017.

### **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 audits. We conducted our audits 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. and related companies as of May 31, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Southwestern Community Services, Inc. and related companies' 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 9, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Schedule of Functional Revenues and Expenses, and the Schedule of Revenues and Expenditures for the Electric Assistance Program are presented for purposes of additional analysis and are 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 October 11, 2017, 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.

*Leone McDonnell & Roberts*  
*Professional Association*

October 11, 2017  
Wolfeboro, New Hampshire

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
MAY 31, 2017 AND 2016****ASSETS**

	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 947,175	\$ 1,188,826
Accounts receivable	1,360,685	1,102,367
Prepaid expenses	19,252	23,413
Notes receivable	112,000	112,000
Interest receivable	41,067	36,587
Total current assets	<u>2,480,179</u>	<u>2,463,193</u>
<b>PROPERTY</b>		
Land and buildings	13,335,396	14,237,257
Vehicles and equipment	703,635	813,172
Furniture and fixtures	25,756	40,986
Total property	<u>14,064,787</u>	<u>15,091,415</u>
Less accumulated depreciation	<u>4,579,760</u>	<u>5,446,011</u>
Property, net	<u>9,485,027</u>	<u>9,645,404</u>
<b>OTHER ASSETS</b>		
Investment in related parties	142,782	10,000
Due from related parties	219,108	292,525
Cash escrow and reserve funds	359,589	341,367
Security deposits	37,906	35,961
Other assets	384	384
Total other assets	<u>759,769</u>	<u>680,237</u>
Total assets	<u>\$ 12,724,975</u>	<u>\$ 12,788,834</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 166,495	\$ 155,247
Accrued expenses	233,842	146,363
Accrued payroll and payroll taxes	241,035	218,182
Other current liabilities	148,698	181,696
Refundable advances	238,345	201,064
Current portion of long term debt	211,313	381,611
Total current liabilities	1,239,728	1,284,163
<b>NONCURRENT LIABILITIES</b>		
Long term debt, less current portion shown above	<u>8,087,475</u>	<u>7,991,096</u>
Total liabilities	<u>9,327,203</u>	<u>9,275,259</u>
<b>NET ASSETS</b>		
Unrestricted	3,243,933	3,302,355
Temporarily restricted	153,839	211,220
Total net assets	<u>3,397,772</u>	<u>3,513,575</u>
Total liabilities and net assets	<u>\$ 12,724,975</u>	<u>\$ 12,788,834</u>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2017  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
<b>REVENUES AND OTHER SUPPORT</b>				
Government contracts	\$ 9,722,823	\$ -	\$ 9,722,823	\$ 9,060,110
Program service fees	1,862,236	-	1,862,236	2,030,772
Rental income	661,932	-	661,932	1,007,200
Developer income	265,000	-	265,000	254,004
Support	260,311	139,805	400,116	517,802
Fundraising	80,170	-	80,170	67,765
Interest income	6,899	-	6,899	4,710
Forgiveness of debt	90,148	-	90,148	61,209
Miscellaneous	140,537	-	140,537	264,795
In-kind contributions	162,966	-	162,966	215,867
	<u>13,252,822</u>	<u>139,805</u>	<u>13,392,627</u>	<u>13,484,234</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>				
	<u>197,186</u>	<u>(197,186)</u>	<u>-</u>	<u>-</u>
Total revenues, other support, and net assets released from restrictions	<u>13,450,008</u>	<u>(57,381)</u>	<u>13,392,627</u>	<u>13,484,234</u>
<b>EXPENSES</b>				
<b>Program services</b>				
Home energy programs	3,812,708	-	3,812,708	3,676,121
Education and nutrition	2,367,558	-	2,367,558	2,344,682
Homeless programs	2,056,525	-	2,056,525	2,177,885
Housing services	2,073,178	-	2,073,178	2,576,850
Economic development services	571,865	-	571,865	331,262
Other programs	963,917	-	963,917	782,112
	<u>11,845,751</u>	<u>-</u>	<u>11,845,751</u>	<u>11,888,912</u>
<b>Supporting activities</b>				
Management and general	1,776,106	-	1,776,106	1,602,254
	<u>13,621,857</u>	<u>-</u>	<u>13,621,857</u>	<u>13,491,166</u>
<b>CHANGES IN NET ASSETS BEFORE (LOSS) GAIN ON SALE OF PROPERTY</b>	<b>(171,849)</b>	<b>(57,381)</b>	<b>(229,230)</b>	<b>(6,932)</b>
<b>(LOSS) GAIN ON SALE OF PROPERTY</b>	<b>(19,355)</b>	<b>-</b>	<b>(19,355)</b>	<b>759,643</b>
<b>GAIN ON INVESTMENT IN LIMITED PARTNERSHIPS</b>	<b>132,782</b>	<b>-</b>	<b>132,782</b>	<b>-</b>
<b>CHANGE IN NET ASSETS</b>	<b>(58,422)</b>	<b>(57,381)</b>	<b>(115,803)</b>	<b>752,711</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>3,302,355</b>	<b>211,220</b>	<b>3,513,575</b>	<b>2,350,940</b>
<b>NET ASSETS TRANSFERRED FROM LIMITED PARTNERSHIPS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>409,924</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>3,302,355</b>	<b>211,220</b>	<b>3,513,575</b>	<b>2,760,864</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 3,243,933</b>	<b>\$ 153,839</b>	<b>\$ 3,397,772</b>	<b>\$ 3,513,575</b>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MAY 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (115,803)	\$ 752,711
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation and amortization	415,720	597,297
Loss (gain) on sale of property	19,355	(759,643)
Gain on investment in limited partnerships	(132,782)	-
Forgiveness of debt	(90,148)	(61,209)
(Increase) decrease in assets:		
Accounts receivable	(258,318)	(190,538)
Prepaid expenses	4,161	31,980
Interest receivable	(4,480)	(4,480)
Due from related parties	73,417	(164,685)
Security deposits	(1,945)	59,036
Other assets	-	15,584
Increase (decrease) in liabilities:		
Accounts payable	11,248	(603,671)
Accrued expenses	87,479	(820)
Accrued payroll and payroll taxes	22,853	(91,390)
Other current liabilities	(32,998)	49,000
Refundable advances	37,281	(38,170)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>35,040</u>	<u>(408,998)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase) decrease in escrow funds	(18,222)	237,589
Proceeds from sale of property	6,000	4,286,378
Purchase of property	(247,598)	(297,570)
<b>NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES</b>	<u>(259,820)</u>	<u>4,226,397</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayments on bank line of credit	-	(249,953)
Proceeds from long term debt	106,019	34,182
Repayment of long term debt	(122,890)	(2,636,139)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(16,871)</u>	<u>(2,851,910)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(241,651)	965,489
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	1,188,826	197,247
<b>CASH TRANSFERRED FROM LIMITED PARTNERSHIPS</b>	-	26,090
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 947,175</u>	<u>\$ 1,188,826</u>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED MAY 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$ <u>141,285</u>	\$ <u>253,726</u>
<b>SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Property financed by long term debt	\$ <u>33,100</u>	\$ <u>-</u>
Transfer of assets from newly consolidated LPs:		
Due from related parties	\$ -	\$ 40,000
Prepaid expenses	-	9,494
Land and buildings	-	3,097,594
Furniture and fixtures	-	28,666
Accumulated depreciation	-	(1,147,270)
Cash escrow and reserve funds	-	300,184
Security deposits	-	32,067
Total transfer of assets from newly consolidated LPs	\$ <u>-</u>	\$ <u>2,360,735</u>
Transfer of liabilities from newly consolidated LPs:		
Accounts payable	\$ -	\$ 37,921
Accrued expenses	-	29,836
Long term debt	-	1,909,144
Total transfer of liabilities from newly consolidated LPs	\$ <u>-</u>	\$ <u>1,976,901</u>
Transfer of net assets from newly consolidated LPs	\$ <u>-</u>	\$ <u>409,924</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, 2017  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2017 Total	2016 Total
Payroll	\$ 340,420	\$ 1,075,322	\$ 439,832	\$ 730,969	\$ 295,530	\$ 472,329	\$ 3,354,402	\$ 788,541	\$ 4,142,943	\$ 4,070,785
Payroll taxes	35,261	125,019	43,209	68,259	34,673	51,734	358,155	71,141	429,296	413,335
Employee benefits	127,768	355,513	170,674	271,958	87,322	213,776	1,207,009	47,209	1,254,218	1,120,567
Retirement	23,613	60,026	28,243	62,164	9,256	18,823	202,325	72,490	274,815	283,965
Advertising	-	7,461	2,489	1,315	1,114	17,017	29,396	121	29,517	33,432
Bank charges	-	1,438	60	3,685	-	-	5,183	6,944	12,127	13,837
Bad debt expense	-	-	-	-	-	-	-	-	-	27,660
Commercial subsidy	-	-	-	-	-	-	-	-	-	14,742
Computer cost	-	18,676	3,684	2,047	16,885	-	43,482	71,651	115,143	136,764
Contractual	295,313	13,334	64,355	61,418	25,339	71,879	531,638	55,626	587,264	521,327
Depreciation	-	27,104	108,281	110,250	-	14,245	266,690	146,830	415,720	597,297
Owes/registration	-	4,740	703	810	988	2,040	9,061	9,998	19,077	18,619
Duplicating	23	8,160	-	-	-	-	8,183	1,659	9,842	17,523
Insurance	9,007	17,398	23,302	46,697	11,289	7,855	115,558	31,617	147,175	189,624
Interest	-	7,063	8,754	5,728	-	2,015	23,560	117,725	141,285	253,726
Meeting and conference	1,871	286	6,183	10,894	851	3,517	23,602	25,520	49,122	91,582
Miscellaneous expense	1,146	603	2,406	130,835	1,740	24,855	161,567	6,747	168,334	105,315
Miscellaneous taxes	-	-	-	32,477	-	-	32,477	379	32,856	99,243
Equipment purchases	727	263	875	7,865	-	-	8,530	481	9,991	13,147
Office expense	5,306	17,095	6,358	4,796	10,084	14,307	57,946	15,405	73,351	70,256
Postage	66	331	102	14	1,038	99	1,652	22,077	24,329	25,403
Professional fees	2,873	-	2,500	44,515	-	-	49,888	84,653	134,341	140,599
Staff development and training	4,795	2,534	8,511	1,323	1,616	15,800	34,579	16,893	51,472	65,945
Subscriptions	-	-	-	845	-	-	845	1,552	2,397	2,293
Telephone	2,217	17,258	25,746	15,347	5,058	4,327	69,953	44,119	114,072	61,160
Travel	5,502	19,088	16,001	5,016	24,201	2,805	72,613	4,431	77,044	61,394
Vehicle	2,345	2,917	2,033	27,020	23,102	10,160	67,577	17,994	85,571	77,538
Rent	-	25,250	-	-	-	-	25,250	-	25,250	26,550
Space costs	-	217,475	234,349	365,323	2,500	1,200	820,847	113,725	934,572	889,970
Direct client assistance	2,954,453	180,038	858,065	52,808	37,269	15,134	4,097,767	-	4,097,767	3,741,723
In-kind expenses	-	162,966	-	-	-	-	162,966	-	162,966	215,867
<b>TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION</b>	<b>3,812,708</b>	<b>2,387,558</b>	<b>2,056,525</b>	<b>2,073,178</b>	<b>571,865</b>	<b>963,917</b>	<b>11,845,751</b>	<b>1,776,106</b>	<b>13,621,857</b>	<b>13,491,166</b>
Allocation of management and general expenses	571,663	354,983	308,347	310,844	85,743	144,526	1,776,106	(1,776,106)	-	-
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 4,384,371</b>	<b>\$ 2,722,541</b>	<b>\$ 2,364,872</b>	<b>\$ 2,384,022</b>	<b>\$ 657,608</b>	<b>\$ 1,108,443</b>	<b>\$ 13,621,857</b>	<b>\$ -</b>	<b>\$ 13,621,857</b>	<b>\$ 13,491,166</b>

See Notes to Consolidated Financial Statements

## **SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED MAY 31, 2017 AND 2016**

#### **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 Corporation, SCS Housing, Inc., SCS Development Corporation, SCS Housing Development, Inc., and various limited partnerships, as described below. 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 consolidated financial statements of Southwestern Community Services, Inc. and related companies have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principles.

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

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

- SCS Management Corporation
- SCS Housing, Inc.
- SCS Development Corporation
- SCS Housing Development, Inc.
  
- Drewsville Carriage House Associates, Limited Partnership (Drewsville)
- Jaffrey Housing Associates, Limited Partnership (Jaffrey)
- Troy Senior Housing Associates, Limited Partnership (Troy Senior)
- Keene East Side Senior Housing Associates, Limited Partnership (Keene East Side)
- North Walpole Village Housing Associates, Limited Partnership (North Walpole, 2016 only)
- Troy Common Associates, Limited Partnership (Troy, 2016 only)



- Peterborough/Finlay, LLC (Peterborough, 2016 only)
- Hinsdale Main Street Associates Limited Partnership (Hinsdale, 2016 only)

During the year ended May 31, 2016, the Organization sold North Walpole, Troy, Peterborough, and Hinsdale. All significant intercompany items and transactions have been eliminated from the basic consolidated 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, 2017 and 2016, the Organization had unrestricted and temporarily restricted net assets.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended May 31, 2016 from which the summarized information was derived.

### **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**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for uncollectible accounts was estimated to be zero at May 31, 2017 and 2016. The Organization has no policy for charging interest on overdue accounts.

### **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 was \$112,000 and \$41,067, respectively at May 31, 2017 and \$112,000 and \$36,587, respectively at May 31, 2016.

### **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 years ended May 31, 2017 and 2016, approximately 73% and 67%, respectively, 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.

**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
Vehicles and equipment	5 - 10 Years
Furniture and fixtures	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**

Southwestern Community Services, Inc. and SCS Management Corporation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and are not private foundations. As such, they are exempt from income tax on their exempt function income.

SCS Housing, Inc., SCS Development Corporation and SCS Housing Development, Inc. are taxed as corporations. SCS Housing Inc. has federal net operating loss carryforwards totaling \$840,803 and \$808,894 at May 31, 2017 and 2016, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2027. SCS Development Corporation is taxed as a corporation and has federal net operating loss carryforwards totaling \$629 and \$658 at May 31, 2017 and 2016, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2020.

The tax effects of the carryforwards as related to deferred tax assets is as follows as of May 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Tax benefit from loss carryforwards	\$126,215	\$121,432
Valuation allowance	<u>(126,215)</u>	<u>(121,432)</u>
Deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

Drewsville, Jaffrey, Troy, Senior and Keene East Side are taxed as partnerships. Federal income taxes are not payable by, or provided for these entities. Earnings and losses are included in the partners' federal income tax returns based on their share of partnership earnings. Partnerships are required to file income tax returns with the State of New Hampshire and pay an income tax at the state's statutory rate.

Accounting Standard Codification No. 740, "Accounting for Income Taxes," established the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. Management has analyzed the Organization's tax position taken on its income tax returns for all open years (tax years ending May 31, 2014 – 2017), 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.

**NOTE 2**

**BANK LINE OF CREDIT**

The Organization has a \$250,000 revolving line of credit agreement with a bank. Interest is due monthly and is stated at the Wall Street Journal Prime Rate. The line is secured by all the Organization's assets. As of May 31, 2017 and 2016, the interest rate was 4%. There was no outstanding balance at May 31, 2017 and 2016.

**NOTE 3**

**LONG TERM DEBT**

The long term debt at May 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
1% mortgage payable to New Hampshire Housing in monthly installments for principal and interest of \$891 through August 2032. The note is secured by real estate of the Organization.	\$ 163,926	\$ 172,929
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	32,147
3.75% 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.	42,099	51,906
Non-interest bearing mortgage payable to New Hampshire Housing. 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.	244,505	250,000

<p>Non-interest bearing mortgage payable to New Hampshire Housing. Payment is deferred for 30 years, through July 2032, unless there is surplus cash from which to make a payment, or until project is sold or refinanced. The note is secured by real estate of the Organization.</p>	376,558	406,558
<p>4.25% mortgage payable to a bank in monthly installments for principal and interest of \$1,875 through December 2016, with a balloon payment that was due January 2017. The note was amended during the year ended May 31, 2017 and is now due December 2026. Under the amendment, interest rate is 4.94% and monthly installments for principal and interest are \$1,957. The note is secured by real estate of the Organization.</p>	177,050	192,893
<p>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.</p>	2,280,750	2,312,802
<p>Non-interest bearing note payable to Cheshire County in New Hampshire. Payment is not necessary unless Organization defaults on contract. The note is secured by real estate of the Organization.</p>	460,000	460,000
<p>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 was due. The remaining balance is still outstanding at May 31, 2017 and is classified as current. The note is secured by real estate of the Organization.</p>	63,000	63,000
<p>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 was due. The remaining balance is still outstanding at May 31, 2017 and is classified as current. The note is secured by real estate of the Organization.</p>	45,000	45,000

<p>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, 2017 and 2016. The note is secured by real estate of the Organization.</p>	426,734	439,386
<p>5.19% note payable to a bank in monthly installments for principal and interest of \$889 through May 2021. The note is secured by real estate of the Organization.</p>	105,495	110,853
<p>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 is 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.</p>	175,000	200,000
<p>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 is 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.</p>	105,000	120,000
<p>Non-interest bearing note payable to New Hampshire Finance Authority in annual payments in the amount of 50% of annual surplus cash through July 2042 at which time the remaining balance is due. The note is secured by real estate of the Organization.</p>	794,189	794,189
<p>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.</p>	382,818	402,966
<p>3.99% note payable to a bank in monthly installments for principal and interest of \$355 through May 2018. The note is secured by a vehicle of the Organization.</p>	4,070	8,401

6.99% note payable to a finance company in monthly installments for principal and interest of \$652 through June 2019. The note is secured by a vehicle.	15,688	22,167
5.54% note payable to a finance company in monthly installments for principal and interest of \$543 through August 2022. The note is secured by a vehicle.	29,572	-
Jaffrey - 30-year deferred note payable to the Town of Jaffrey, New Hampshire. Payment of principal and accrued interest at 1% are deferred until the note matures in June 2027. The note is secured by land and buildings. The balance included cumulative accrued interest of \$49,796.	300,645	297,668
Jaffrey - 6% note payable to a bank in monthly installments for principal and interest of \$485 through August 2027. The note is secured by land and buildings.	43,533	46,592
Troy Senior - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in June 2029. The note is secured by real estate of the Organization.	640,000	640,000
Troy Senior - Non-interest bearing note payable to New Hampshire Housing Finance Authority to fund energy efficiency improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization.	140,210	140,210
Keene East Side - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in December 2028. The note is secured by real estate of the Organization.	900,000	900,000
Keene East Side - Non-interest bearing note payable to New Hampshire Community Development Finance Authority (CDFA) to fund energy upgrades and capital improvements. The mortgage may be released after ten years in January 2026. The note is secured by real estate of the Organization.	121,865	34,106



Keene East Side - Non-interest bearing note payable to New Hampshire Housing Finance Authority to fund energy efficiency improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization.

	<u>228,934</u>	<u>228,934</u>
	8,298,788	8,372,707
Less current portion due within one year	<u>211,313</u>	<u>381,611</u>
	<u>\$ 8,087,475</u>	<u>\$ 7,991,096</u>

The schedule of maturities of long term debt at May 31, 2017 is as follows:

Year Ending <u>May 31</u>	<u>Amount</u>
2018	\$ 211,313
2019	104,538
2020	102,568
2021	104,694
2022	98,506
Thereafter	<u>7,677,169</u>
Total	<u>\$ 8,298,788</u>

**NOTE 4**

**OPERATING LEASES**

The Organization leases facilities, equipment and vehicles under non-cancelable lease agreements at various financial institutions. Lease periods range from month to month to 2022. Monthly lease payments range from \$248 to \$3,521. Lease expense for the years ended May 31, 2017 and 2016 totaled \$179,178 and \$213,038, respectively.

Future minimum payments as of May 31, 2017 on the above leases are as follows:

Year Ending <u>May 31</u>	<u>Amount</u>
2018	\$ 67,678
2019	18,589
2020	18,341
2021	15,618
2022	<u>15,618</u>
Total	<u>\$ 135,844</u>

**NOTE 5**      **ACCRUED COMPENSATED BALANCES**

At May 31, 2017 and 2016, the Organization accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$127,577 and \$125,790, respectively.

**NOTE 6**      **CONTINGENCIES**

At May 31, 2017 and 2016, SCS Housing, Inc. is the general partner of seven limited partnerships (which include Drewsville, Jaffrey, and Troy Senior, 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 approximately \$2,299,000 and \$2,345,000 at May 31, 2017 and 2016, respectively. Partnership real estate with a cost basis of approximately \$16,217,000 and \$17,286,000 provides collateral on these loans at May 31, 2017 and 2016, respectively.

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, 2017 and 2016.

**NOTE 7**      **RELATED PARTY TRANSACTIONS**

During the years ended May 31, 2017 and 2016, SCS Housing, Inc. managed seven limited partnerships. Management fees charged by SCS Housing, Inc. totaled \$308,448 and \$276,881, for the years ended May 31, 2017 and 2016, respectively. Additionally, SCS Housing, Inc. has advanced the limited partnerships funds for cash flow purposes over several years.

The Organization has also advanced funds to a related entity for Department of Housing and Urban Development (HUD) sponsorship purposes.

The total amount due and expected to be collected from the limited partnerships and related entity was \$219,108 and \$292,525 at May 31, 2017 and 2016, respectively.

**NOTE 8****EQUITY INVESTMENT**

SCS and related companies use the equity method to account for their financial interests in the following companies:

	<u>2017</u>
Cityside Housing Associates, LP (Cityside)	\$ (9,481)
Marlborough Homes, LP (Marlborough)	30
Payson Village Senior Housing Associates, LP (Payson)	(12,477)
Railroad Square Senior Housing Associates, LP (Railroad)	(1,527)
Warwick Meadows Housing Associates, LP (Warwick)	(9)
Woodcrest Drive Housing Associates, LP (Woodcrest)	222,850
Winchester Senior Housing Associates, LP (Winchester)	53,888
Swanzey Township Housing Associates, LP (Swanzey)	(31,183)
Snow Brook Meadow Village Housing Associates, LP (Snow Brook)	(60,709)
Keene Highland Housing Associates, LP (Keene Highland)	(226)
Pilot Health, LLC	(18,374)
	<u>\$ 142,782</u>

SCS Housing Development, Inc. is a 0.01% partner of Cityside, Marlborough, Payson, Warwick, and Woodcrest, and a 0.10% partner of Railroad.

SCS Housing, Inc. is a 0.01% partner of Winchester, Swanzey, Snow Brook, and Keene Highland.

Southwestern Community Services, Inc. is 14.3% member of Pilot Health, LLC.

Summarized financial information for entities accounted for under the equity method, as of May 31, 2017, consists of the following:

	<u>2017</u>
Total assets	<u>\$ 33,140</u>
Total liabilities	47,490
Capital/Member's equity	(14,350)
	<u>\$ 33,140</u>
Income	\$ 84,728
Expenses	81,515
Net income	<u>\$ 3,213</u>

**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 \$274,815 and \$283,965 for the years ended May 31, 2017 and 2016, respectively.

**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, 2017 and 2016 totaled \$153,839 and \$211,220, respectively.

**NOTE 11**    **FORGIVENESS OF DEBT**

During the year ended May 31, 2017 the Organization realized forgiveness of debt income in connection with notes payable to the County of Cheshire, HUD and New Hampshire Housing. Forgiveness of debt income totaled \$90,148 for the year ended May 31, 2017.

During the year ended May 31, 2016 the Organization realized forgiveness of debt income in connection with notes payable to the County of Cheshire and HUD. Forgiveness of debt income totaled \$61,209 for the year ended May 31, 2016.

**NOTE 12**    **TRANSFER OF PARTNERSHIP INTEREST**

During 2016, SCS acquired partnership interests in two low income housing limited partnerships: Troy Senior Housing Associates, LP (Troy Senior) and Keene East Side Senior Housing Associates, LP (Keene East Side). The amount paid for each partnership interest was \$1 and at the time of acquisition SCS became the general partner in each partnership.

The following is a summary of the assets and liabilities of each partnership at the date of acquisition:

Date of transfer	<u>09/09/2015</u>	<u>12/31/2015</u>	
	<u>Keene East Side</u>	<u>Troy Senior</u>	<u>Total</u>
Cash	\$ 18,722	\$ 7,368	\$ 26,090
Cash-escrow	280,837	19,347	300,184
Property – net	996,031	982,959	1,978,990
Other assets	<u>38,090</u>	<u>22,557</u>	<u>60,647</u>
Total assets	<u>1,333,680</u>	<u>1,032,231</u>	<u>2,365,911</u>
Notes payable	1,128,934	780,210	1,909,144
Other liabilities	<u>19,778</u>	<u>27,065</u>	<u>46,843</u>
Total liabilities	<u>1,148,712</u>	<u>807,275</u>	<u>1,955,987</u>
Partners' capital	<u>\$ 184,968</u>	<u>\$ 224,956</u>	<u>\$ 409,924</u>

**NOTE 13**    **RECLASSIFICATION**

Certain amounts and accounts from the prior year's financial statements were reclassified to enhance comparability with the current year's financial statements.

**NOTE 14**    **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 October 11, 2017, the date the financial statements were available to be issued.

**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, 2017  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2017 Total	2016 Total
<b>REVENUES</b>										
Government contracts	\$ 3,910,620	\$ 2,684,588	\$ 1,786,879	\$ 51,425	\$ 612,470	\$ 216,943	\$ 9,262,925	\$ 459,898	\$ 9,722,823	\$ 9,060,110
Program service fees	1,601	4,997	51,729	1,012,684	48,690	656,599	1,778,300	83,936	1,862,236	2,030,772
Rental income	-	-	119,345	542,087	-	-	681,432	500	661,932	1,007,200
Developer income	-	-	-	265,000	-	-	265,000	-	265,000	254,004
Support	45,125	11,631	85,498	-	91,662	157,335	391,751	8,385	400,116	517,602
Fundraising	-	-	5,383	-	-	74,787	80,170	-	80,170	67,765
Interest income	18	3	94	187	-	27	309	6,390	6,699	4,710
Forgiveness of debt	-	-	90,146	-	-	-	90,146	-	90,146	264,785
Miscellaneous	2,490	8,362	2,325	22,688	26,713	7,270	69,869	70,669	140,537	61,209
In-kind contributions	-	162,966	-	-	-	-	162,966	-	162,966	215,867
Total revenues and other support	<u>3,959,854</u>	<u>2,872,767</u>	<u>2,141,401</u>	<u>1,694,051</u>	<u>779,635</u>	<u>1,114,961</u>	<u>12,762,889</u>	<u>629,758</u>	<u>13,392,627</u>	<u>13,484,234</u>
<b>EXPENSES</b>										
Payroll	\$ 340,420	\$ 1,075,322	\$ 439,832	\$ 730,969	\$ 295,530	\$ 472,329	\$ 3,354,402	\$ 788,541	\$ 4,142,043	\$ 4,070,785
Payroll taxes	35,261	125,019	43,209	68,259	34,673	51,734	356,155	71,141	429,296	413,335
Employee benefits	127,766	355,513	170,674	271,958	67,322	213,776	1,207,009	47,209	1,254,218	1,120,567
Retirement	23,613	60,028	28,243	62,164	9,256	16,823	202,325	72,490	274,815	283,965
Advertising	-	7,481	2,489	1,315	1,114	17,017	29,396	121	29,517	33,432
Bank charges	-	1,438	60	3,685	-	-	5,183	6,944	12,127	13,837
Bad debt expense	-	-	-	-	-	-	-	-	-	27,660
Commercial subsidy	-	-	-	-	-	-	-	-	-	14,742
Computer cost	-	18,876	3,684	2,047	16,895	-	43,492	71,651	115,143	136,764
Contractual	285,313	13,334	64,355	61,418	25,339	71,879	531,638	55,626	587,264	521,327
Depreciation	-	27,104	108,291	119,250	-	14,245	268,890	146,830	415,720	597,297
Dues/registration	-	4,740	703	610	988	2,040	9,081	9,996	19,077	18,619
Duplicating	23	8,160	-	-	-	-	8,163	1,659	9,842	17,523
Insurance	8,007	17,398	23,302	46,697	11,299	7,855	115,558	31,817	147,175	189,624
Interest	-	7,063	8,754	5,728	-	2,015	23,560	117,725	141,285	253,726
Meeting & conference	1,871	286	6,183	10,894	851	3,517	23,602	25,520	49,122	91,582
Miscellaneous expense	1,148	603	2,406	130,835	1,740	24,855	161,587	6,747	168,334	195,315
Miscellaneous taxes	-	-	-	32,477	-	-	32,477	379	32,858	99,243
Equipment purchases	727	263	675	7,665	-	-	9,530	481	9,991	13,147
Office expense	5,306	17,095	6,358	4,796	10,084	14,307	57,946	15,405	73,351	70,256
Postage	66	331	102	14	1,038	99	1,652	22,677	24,329	25,403
Professional fees	2,673	-	2,500	44,515	-	-	49,688	84,653	134,341	140,589
Staff development and training	4,795	2,534	8,511	1,323	1,616	15,800	34,579	16,893	51,472	65,945
Subscriptions	-	-	-	845	-	-	845	1,552	2,397	2,283
Telephones	2,217	17,258	25,746	15,347	5,058	4,327	69,953	44,119	114,072	61,160
Travel	5,502	19,088	18,001	5,016	24,201	2,805	72,613	4,431	77,044	61,394
Vehicle	2,345	2,917	2,033	27,020	23,102	10,180	67,577	17,994	85,571	77,536
Rent	-	25,250	-	-	-	-	25,250	-	25,250	26,550
Space costs	-	217,475	234,349	365,323	2,500	1,200	820,847	113,725	934,572	889,970
Direct client assistance	2,954,453	180,038	858,065	52,806	37,269	15,134	4,097,767	-	4,097,767	3,741,723
In-kind expenses	-	162,966	-	-	-	-	162,966	-	162,966	215,667
<b>TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION</b>	<u>3,812,708</u>	<u>2,367,558</u>	<u>2,056,525</u>	<u>2,073,178</u>	<u>571,865</u>	<u>963,917</u>	<u>11,645,751</u>	<u>1,776,106</u>	<u>13,621,657</u>	<u>13,491,166</u>
Allocation of management and general expenses	<u>571,663</u>	<u>354,983</u>	<u>308,347</u>	<u>310,844</u>	<u>85,743</u>	<u>144,526</u>	<u>1,776,109</u>	<u>(1,776,106)</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 4,384,371</u>	<u>\$ 2,722,541</u>	<u>\$ 2,364,872</u>	<u>\$ 2,384,022</u>	<u>\$ 657,608</u>	<u>\$ 1,108,443</u>	<u>\$ 13,621,857</u>	<u>\$ -</u>	<u>\$ 13,621,857</u>	<u>\$ 13,491,166</u>

See Independent Auditors' Report

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE ELECTRIC ASSISTANCE PROGRAM  
FOR THE YEAR ENDED MAY 31, 2017**

<b>Revenues</b>	<u>\$ 216,348</u>
<b>Expenditures</b>	
Salaries	\$ 91,467
Fringe benefits	59,391
Travel	1,938
Other	<u>62,508</u>
	<u>\$ 215,304</u>

**Note:**

For the year ended May 31, 2017, 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, 2017.

See Independent Auditors' Report



**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MAY 31, 2017**

<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>
<b>U.S. Department of Agriculture</b>				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	State of NH Dept. of Health & Human Services	010-090-5260000-102-500734	\$ 268,067
Child and Adult Care Food Program	10.558	State of NH, Dept of Education	Unknown	106,122
Food Distribution Cluster				
Commodity Supplemental Food Program	10.885	State of NH Dept. of Health & Human Services	010-090-5260000-102-500734	\$ 110,048
Emergency Food Assistance Program (Food Commodities)	10.569	Community Action Program Belknap-Merrimack Counties	Unknown	89
				<u>110,135</u>
Total U.S. Department of Agriculture				<u>\$ 582,324</u>
<b>U.S. Department of Housing and Urban Development</b>				
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Bureau of Homeless & Housing	05-95-95-958310-717600000-102-50731	\$ 193,373
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Office of Human Services	010-042-7027-102-0731	101,196
Supportive Housing Program	14.235	State of NH, DHHS, Bureau of Homeless & Housing	05-95-95-958310-717600000-102-50731	259,928
Shelter Plus Care	14.238	State of NH, DHHS, Bureau of Homeless & Housing	05-95-95-958310-717600000-102-50731	289,582
Continuum of Care Program	14.287	State of NH, DHHS, Bureau of Homeless & Housing	05-95-95-958310-717600000-102-50731	189,898
Total U.S. Department of Housing and Urban Development				<u>\$ 984,977</u>
<b>U.S. Department of Labor</b>				
WIA Cluster				
WIA Adult Program	17.258	Southern NH Services	Unknown	\$ 58,691
WIA Dislocated Worker Formula Grants	17.278	Southern NH Services	Unknown	46,128
Total U.S. Department of Labor/WIA Cluster				<u>\$ 104,819</u>
<b>U.S. Department of Transportation Federal Transit Administration (FTA)</b>				
Formula Grants for Rural Areas	20.509	State of NH, Department of Transportation	04-99-99-994010-2910	\$ 158,853
Transit Services Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	State of NH, Department of Transportation	04-99-99-994010-2910	19,826
Total U.S. Department of Transportation Federal Transit Administration (FTA)				<u>\$ 178,679</u>
<b>U.S. Department of Veterans Affairs</b>				
VA Supportive Services for Veteran Families Program	64.033	N/A	N/A	\$ 239,223
Total U.S. Department of Veterans Affairs				<u>\$ 239,223</u>
<b>U.S. Department of Energy</b>				
Weatherization Assistance for Low-Income Persons	81.042	State of NH, Office of Energy & Planning	01-02-024010-7700-074-500587	\$ 140,357
Total U.S. Department of Energy				<u>\$ 140,357</u>
<b>U.S. Department of Health &amp; Human Services</b>				
Aging Cluster				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	State of NH, Office of Energy & Planning	01-02-024010-7700-074-500587	\$ 5,400
Grants to States to Support Oral Health Workforce Activities	93.236	State of NH, DHHS, Division of Family Assistance	Unknown	2,935
Drug-Free Communities Support Program Grants	93.276	N/A	N/A	142,671
Affordable Care Act (ACA) - Consumer Assistance Program Grants	93.519	N/A	N/A	15,004
TANF Cluster				
Temporary Assistance for Needy Families	93.558	Southern NH Services	Unknown	322,816
Low Income Home Energy Assistance	93.588	State of NH, Office of Energy & Planning	1025874	\$ 3,291,856
Low Income Home Energy Assistance	93.668	State of NH, Office of Energy & Planning	1025859	163,097
Community Services Block Grant	93.669	State of NH, DHHS, Div. of Family Assistance	500731	322,907
CSBG - Discretionary	93.570	State of NH, DHHS, Div. of Family Assistance	500731	39,498
Head Start	93.000	N/A	N/A	2,127,540
Block Grants for Prevention and Treatment of Substance Abuse	93.959	State of NH, DHHS, Bureau Drug and Alcohol Services	05-95-49-491510-29890000	60,763
Total U.S. Department of Health & Human Services				<u>\$ 6,513,858</u>
<b>U.S. Department of Homeland Security</b>				
Emergency Food and Shelter National Board Program	97.024	State of NH, DHHS, Office of Human Services	Unknown	\$ 1,078
Total U.S. Department of Homeland Security				<u>\$ 1,078</u>
<b>TOTAL</b>				<u><b>\$ 8,745,913</b></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, 2017**

**NOTE 1      BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Southwestern Community Services, Inc. under programs of the federal government for the year ended May 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southwestern Community Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3      INDIRECT COST RATE**

Southwestern Community Services, Inc. has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4      FOOD DONATION**

Nonmonetary assistance is reported in the Schedule at the fair 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. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statement of financial position as of May 31, 2017, 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 October 11, 2017.

**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 Southwestern Community Services, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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*

October 11, 2017  
Wolfeboro, New Hampshire

**Leone,  
McDonnell  
& Roberts**

PROFESSIONAL ASSOCIATION  
CERTIFIED PUBLIC ACCOUNTANTS  
WOLFEBORO • NORTH CONWAY  
DOVER • CONCORD  
STRATHAM

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

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

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

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

We have audited Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies' compliance with the types of compliance requirements described in the *OMB 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, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 of 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, 2017.

**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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 were not identified.

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

*Leon McDonnell & Roberts  
Professional Association*

October 11, 2017  
Wolfeboro, New Hampshire

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MAY 31, 2017**

**SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unmodified opinion on whether the consolidated financial statements of Southwestern Community Services, Inc. were prepared in accordance with GAAP.
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 the Uniform Guidance*. 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 that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were: U.S. Department of Health and Human Services; Low-Income Home Energy Assistance, 93.568, and Head Start, 93.600.
8. The threshold for distinguishing Type A and B programs was \$750,000.
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, 2016**

**Department of Health and Human Services**

**2016-001 Head Start - CFDA No. 93.600 (material weakness)**

**Condition:** In testing drawdowns for the Head Start program, it was noted that eight drawdowns lacked supporting documentation of the Head Start expenditures for which the drawdown was requested.

**Auditors' Recommendation:** It was recommended that the Organization needed to strengthen controls over its cash management processes to ensure compliance with federal requirements. It was recommended that procedures be implemented so that each Head Start drawdown requires approval of either a member of the finance committee or the Head Start Program Director. Each drawdown must be accompanied by supporting documentation of the expenditures for which the drawdown is being made.

**Current Status:** The recommendation was adopted in December 2015.



**Southwestern Community Services, Inc. Board of Directors - Composition – 2018 –**

**CHESHIRE COUNTY**

**SULLIVAN COUNTY**

**CONSTITUENT  
SECTOR**

**Beth Fox**  
Assistant City Manager/  
Human Resources Director  
City of Keene

**Mary Lou Huffling**  
Fall Mountain Emergency Food Shelf  
Alstead Friendly Meals

**Daniel Stewart**  
Chair, Head Start Policy Council  
Parent Representative

**Penny Despres**  
New Hope New Horizons  
Program Representative

**PRIVATE  
SECTOR**

**Elaine Amer, Clerk/Treasurer**  
Amer Electric Company (*retired*)

**Anne Beattie**  
Newport Service Organization

**Kevin Watterson, Chair**  
Clarke Companies (*retired*)

**Scott Croteau, Vice Chairperson**  
VP Savings Bank of Walpole (*retired*)

**PUBLIC  
SECTOR**

**Jay Kahn**  
State Senator, District 10

**Raymond Gagnon**  
State Representative, District 5

**David Edkins**  
Walpole, NH

**Derek Ferland**  
Sullivan County Manager

**Kerry Belknap Morris, M.Ed.**  
Program Director,  
Early Childhood Education  
River Valley Community College

Contractor Name: Southwestern Community Services, Inc. [SPC]

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
John Manning	CEO	\$132,080	0	0
Meg Freeman	CFO	\$90,854	0	0
Craig Henderson	Director of Housing Stabilization	\$50,003	0	0

Subject: Continuum of Care, Coordinated Entry Program, SS-2019-BHHS-01-Coord-04

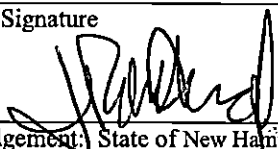
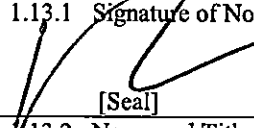
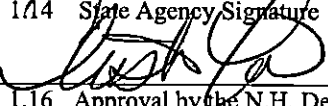
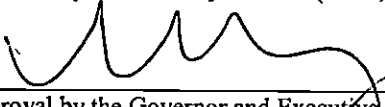
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Tri-County Community Action Program, Inc.		1.4 Contractor Address 30 Exchange Street Berlin, NH 03570	
1.5 Contractor Phone Number (603) 352-7512	1.6 Account Number 05-95-42-423010-7927-102-500731	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$130,822
1.9 Contracting Officer for State Agency E. Maria Reinemann, Esq. Director of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9330	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Jeanne L. Robillard Chief Executive Officer	
1.13 Acknowledgement: State of New Hampshire, County of Coos On June 5 <sup>th</sup> , 2018, before me, the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person who is signatory in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public in and for the State of New Hampshire  [Seal]			
1.13.2 Name and Title of Notary Public in and for the State of New Hampshire Kriston E. Partridge Administrator			
1.14 State Agency Signature  Date: 6-7-18		1.15 Name and Title of State Agency Signatory Christopher Ryan, Associate Commissioner	
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 York - Attorney 6/6/18			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

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

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

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, 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.



Exhibit A

**SCOPE OF SERVICES**

**Coordinated Entry Program**

**1. Provisions Applicable to All Services**

- 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.2. 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, through the Bureau of Housing Supports, has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. 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 their programs and/or services within ten (10) days of the contract effective date; submitted to:  
  
NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301
- 1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

**2. Scope of Services**

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, the Contractor shall provide a Coordinated Entry program that shall serve approximately One Thousand Three Hundred (1300) individuals that are homeless or at imminent risk of homelessness.
- 2.2. The Contractor shall support the primary goal of this program which is to identify and engage unsheltered homeless persons and persons at imminent risk of homelessness, and to provide basic interventions such as food and referrals to services and to facilitate their movement to shelter, permanent housing and maximum self-sufficiency.
- 2.3. To be eligible for contract services, individuals and families must be homeless as defined in HUD regulations, or at imminent risk of homelessness. The Contractor must obtain and retain appropriate documentation.
- 2.4. The Contractor shall provide these services according to HUD regulations as outlined in Public Law 102-550, 24 CFR Part 578 Homeless Emergency Assistance and Rapid Transition to Housing; Continuum of Care Program interim rule, and other written HUD policies and directives as appropriate.

Public Law 102-550 can be accessed at:

<https://www.congress.gov/public-laws/102nd-congress>

The Electronic Code of Federal Regulations can be accessed at:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=2bfae50cb70b6febbaa82e6a7c0cf6b6b&mc=true&node=pt24.3.578&rgn=div5>



**Exhibit A**

- 2.5. Each program participant shall have an employment assessment and employment goals included in the individual service plan, as appropriate.
- 2.6. The contractor shall participate in their regional Coordinated Entry process.
- 2.7. The Contractor shall maintain adherence to federal and state financial and confidentiality laws, and agrees to comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the 2017 NOFA Project Application approved by HUD.

**3. Program Reporting Requirements**

- 3.1. The Contractor shall submit the following reports:
  - 3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the subrecipient is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.3 Exhibit A; and
  - 3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.  
NH HMIS policy can be accessed at:  
<http://www.nh-hmis.org>
- 3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.
- 3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by BHS.
- 3.4. The Contractor shall cooperate fully with and answer all questions of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.

**4. Contract Administration**

- 4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with Contractor performance.
- 4.3. The Contractor shall inform BHS of any staff changes within thirty (30) days of the change.
- 4.4. Contract records shall be retained for a period of five (5) years or as required by state or federal law, following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and BHS.

*JK*





Exhibit B

**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**1. Coordinated Entry Program**

1.1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement pursuant to Exhibit A, Scope of Services, the State agrees to pay the Contractor an amount not to exceed Form P-37, Block 1.8, Price Limitation and for the time period specified below.

1.1.1. This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA); as follows:

NH General Fund:	0%
Federal Funds:	100%
CFDA #:	14.267
Grant Number:	NH0096L1T001702
Federal Agency:	U.S. Department of Housing & Urban Development (HUD)
Program Title:	Continuum of Care, Coordinated Entry Program
Total Amount Continuum of Care;	
July 1, 2018 – June 30, 2019: not to exceed \$130,822	
Funds allocation under this agreement for Continuum of Care Program;	
Administrative Expenses:	\$3,270
Leasing Expenses:	\$5,928
Operating Expenses:	\$0
Rental Assistance:	\$0
Supportive Services:	<u>\$121,624</u>
Total program amount:	\$130,822

1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

**2. Reports**

2.1. As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

2.1.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with 2 CFR part 200 which can be accessed at:

[https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State at the following address:

NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301



Exhibit B

2.2. Where the Contractor is not subject to the requirements of 2 CFR part 200, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

**3. Project Costs: Payment Schedule; Review by the State**

3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of 2 CFR part 200.

3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 578.87(c).

3.3. The subrecipient must match all grant funds, except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources. Cash match must be used for the cost of activities that are eligible under subpart D of 24 CFR 578.

3.4. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578, and in compliance with the budget detail and narrative, as outlined in the 2017 NOFA Project Application approved by HUD, the State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of P.L. 102-550 and other applicable regulations.

3.4.1. Payment of Project Costs shall be made through the utilization of funds as provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount and time period not to exceed as specified above in section 1.1.1. Exhibit B.

3.4.2. Authorized expenses shall be those expenses as detailed in Exhibit B-1, Budget.

3.5. Schedule of Payments: Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor agrees to keep records of their activities related to Department programs and services, and shall provide additional financial information if requested by the State to verify expenses. Invoices shall be submitted promptly to the address listed above in section 2.1.1. Exhibit B.

3.6. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all

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**Exhibit B**

payments made to date. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture.

- 3.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.

**4. Use Of Grant Funds**

- 4.1. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.
- 4.2. Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

**5. Expense Eligibility**

- 5.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize Continuum of Care Program agreement value specified in Exhibit B of this agreement from the HUD Continuum of Care Program, for contract services.

5.1.1. Operating Expenses

- 5.1.1.1. Eligible operating expenses include maintenance and repair of housing; property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.
- 5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

5.1.2. Supportive Services

- 5.1.2.1. Eligible supportive services costs must comply with all HUD regulations in 24 CFR 578.53. Eligible services are available to those individuals actively participating in the permanent housing program.
- 5.1.2.2. Eligible costs include:
  - 5.1.2.3. mental health services;
  - 5.1.2.4. case management services;
  - 5.1.2.5. salaries of Contractor staff providing supportive services;
  - 5.1.2.6. reasonable one-time moving costs (truck rental and hiring a moving company);
  - 5.1.2.7. child-care costs for establishing and operating child care;

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6-5-18



Exhibit B

- 5.1.2.8. providing child-care vouchers for children from families experiencing homelessness (including meals, snacks, comprehensive and coordinated developmental activities);
- 5.1.2.9. education services;
- 5.1.2.10. employment assistance and job training skills;
- 5.1.2.11. housing search and counseling services;
- 5.1.2.12. legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing);
- 5.1.2.13. outpatient health services; and
- 5.1.2.14. transportation services and utility deposits.
- 5.1.2.15. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.

5.1.3. Rental Assistance

- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
- 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
- 5.1.3.3. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
- 5.1.3.4. Rental assistance will only be provided for a unit if the rent is reasonable. The Contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.
- 5.1.3.5. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits.
- 5.1.3.6. Housing must be in compliance with all State and local housing codes, licensing requirements; the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
- 5.1.3.7. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
- 5.1.3.8. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require

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Exhibit B

program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid Re-Housing program component must be tenant based rental assistance:

- 5.1.3.9. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.1.3.10. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.1.3.11. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.

5.1.4. Administrative Costs

- 5.1.4.1. Administrative costs include:
  - 5.1.4.2. preparing program budgets;
  - 5.1.4.3. schedules and amendments;
  - 5.1.4.4. developing systems for assuring compliance with program requirements;
  - 5.1.4.5. developing interagency agreements and agreements with subrecipients and Contractors to carry out program activities;
  - 5.1.4.6. preparing reports and other documents related to the program for submission to HUD;
  - 5.1.4.7. evaluating program results against stated objectives;
  - 5.1.4.8. travel costs incurred for official business in carrying out the program;
  - 5.1.4.9. administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services) and;
  - 5.1.4.10. other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).

5.1.5. Leasing: Leasing may include leasing one structure or leasing units scattered throughout a community.

- 5.1.5.1. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Contractor.
- 5.1.5.2. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.
- 5.1.5.3. The Contractor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.
- 5.1.5.4. Property damages may only be paid from money paid to landlord for security deposits.
- 5.1.5.5. The Contractor cannot lease a building that it already owns to itself.

*JK*



**Exhibit B**

5.1.5.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.

5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).

5.2.1. The Contractor must match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.

5.2.2. Match requirements are to be documented with each payment request.

5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 5. Expense Eligibility, Exhibit B. The Contractor must have written approval from the State prior to billing for any other expenses.

5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.

5.5. The Contractor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.

**6. Contractor Financial Management System**

6.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.

6.2. The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3, Project Costs: Payment Schedule; Review by the State, of this Agreement.

*JM*

6-5-18

**For BHS use only**  
**Vendor # 177195 - B009**  
**Contract # line #1**  
**Invoice: CETCCAP0418**  
**Descript: NH0096L1T001702**  
**Account: 010-042-7927-102-500731**  
**Add Activities**  
**Amount: \$**  
**Job #**  
**Amount: \$**  
**Job #**  
**Amount: \$**  
**Job #**

**Bureau of Housing Supports**  
**Supportive Housing Program (SHP) - Supportive Services Only (SSO)**  
**Payment Request Form**

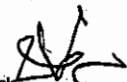
Sponsor Name: Tri-County CAP						PIN: NH35001	
Project: Coordinated Entry			Service Period: 7/1/18 - 6/30/19				
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
Activity Name	Activity Budget	SHP Payments Billed	Matching Funds Applied	Budgeted Balance Available	Requested This Invoice	Match Applied This Invoice	New Available Balance
Salary/Fringe Benefits	\$ 98,560.00			\$ 98,560.00	\$ 1,288.00		\$ 97,272.00
Transportation	\$ 11,417.00			\$ 11,417.00	\$ -		\$ 11,417.00
Client Emergency	\$ 11,647.00			\$ 11,647.00	\$ 1,892.00		\$ 9,755.00
<b>Supportive Services Total</b>	<b>\$ 121,624.00</b>			<b>\$ 121,624.00</b>	<b>\$ 3,180.00</b>		<b>\$ 118,444.00</b>
Leasing/Rent	\$ 5,928.00			\$ 5,928.00	\$ -		\$ 5,928.00
Administration	\$ 3,270.00			\$ 3,270.00	\$ -		\$ 3,270.00
<b>Total HUD Funding</b>	<b>\$ 130,822.00</b>			<b>\$ 130,822.00</b>	<b>\$ 3,180.00</b>		<b>\$ 127,642.00</b>
25% Required Match	\$ 32,705.25			\$ 32,705.25			\$ 32,705.25
					PLEASE PAY THIS AMT	\$ 3,180.00	

**TOTALS:**

Total HUD Funding	\$ 130,822.00		
Total Match	\$ 32,705.25		
Project Totals	\$ 163,527.25		\$ -

Authorizing Signature(s)  
 \_\_\_\_\_

For BHHS only		
Amount	SHP Int	Date
Amy O'Hara, Financial Manager		Date

Vendor Initials   
 Date 6-5-18





**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 Contractor's 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 (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) 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.



- 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.



**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.



**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.

Contractor Name: Tri-County Community Action Program, Inc.

6-5-18  
Date

  
Name: Jeanne L. Robillard  
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

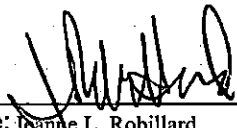
The undersigned certifies, to the best of his or her knowledge and belief, that:

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-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: Tri-County Community Action Program, Inc.

6-5-18  
Date

  
Name: Jeanne L. Robillard  
Title: Chief Executive Officer





**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

*[Handwritten Signature]*

New Hampshire Department of Health and Human Services  
Exhibit F



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

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

**PRIMARY COVERED TRANSACTIONS**

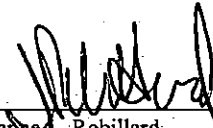
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
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

Contractor Name: Tri-County Community Action Program, Inc.

6-5-18  
Date

  
Name: Jeanne L. Robillard  
Title: Chief Executive Officer



**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

Contractor Initials ML

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

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.

Contractor Name: Tri-County Community Action Program, Inc.

6-5-18

Date

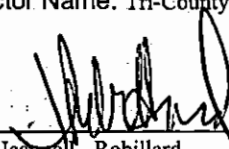
  
Name: Jeanne L. Robillard  
Title: Chief Executive Officer

Exhibit G

Contractor Initials 

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



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Contractor Name: Tri-County Community Action Program, Inc

6-5-18

Date

A handwritten signature in black ink, appearing to read "Jeanne L. Robillard", written over a horizontal line.

Name: Jeanne L. Robillard

Title: Chief Executive Officer

Handwritten initials "JLR" in black ink, written over a horizontal line.



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.

*JPL*



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

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

**(3) Obligations and Activities of Business Associate.**

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
  - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
  - o The unauthorized person used the protected health information or to whom the disclosure was made;
  - o Whether the protected health information was actually acquired or viewed
  - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from; or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI





Exhibit I

- pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.
- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
  - g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
  - h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
  - i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
  - j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
  - k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
  - l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) **Obligations of Covered Entity**

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) **Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) **Miscellaneous**

- a. **Definitions and Regulatory References.** All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. **Amendment.** Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. **Data Ownership.** The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. **Interpretation.** The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

*JH*



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) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health and Human Services

The State

Christie Tappan  
Signature of Authorized Representative

Christie Tappan  
Name of Authorized Representative

Assistant Commissioner  
Title of Authorized Representative

6/7/18  
Date

Tri-County Community Action Program, Inc.

Name of the Contractor

Jeanne L. Robillard  
Signature of Authorized Representative

Jeanne L. Robillard

Name of Authorized Representative

Chief Executive Officer.

Title of Authorized Representative

6-5-18  
Date



**CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY  
ACT (FFATA) COMPLIANCE**

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
  - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
  - 10.2. Compensation information is not already available through reporting to the SEC.

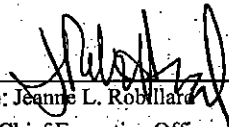
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act:

Contractor Name: Tri-County Community Action Program, Inc.

6-5-18  
Date

  
Name: Jeanne L. Robillard  
Title: Chief Executive Officer

New Hampshire Department of Health and Human Services  
Exhibit J



FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 073975708
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO  YES

If the answer to #2 above is NO, stop here

If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

NO  YES

If the answer to #3 above is YES, stop here

If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

# New Hampshire Department of Health and Human Services

## Exhibit K

### DHHS Information Security Requirements



#### A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

DHHS Information Security Requirements



mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name; social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a



request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

## II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open





wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

### III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

#### A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

**B. Disposition**

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and/or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

**IV. PROCEDURES FOR SECURITY**

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

Handwritten initials, possibly "JK", in black ink.

DHHS Information Security Requirements



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

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6-5-18

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.



**DHHS Information Security Requirements**

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- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

- 1. Identify Incidents;
- 2. Determine if personally identifiable information is involved in Incidents;
- 3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
- 4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

DHHS Information Security Requirements



5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacyOfficer@dhhs.nh.gov

# State of New Hampshire

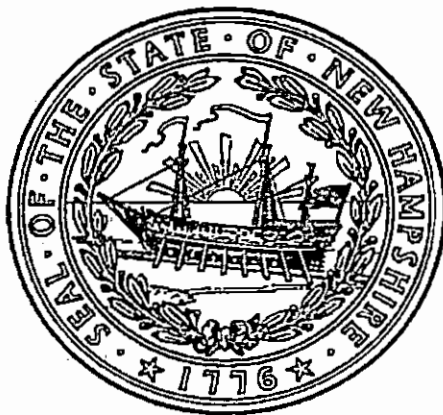
## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. (TRI-COUNTY CAP) is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 18, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 63020

Certificate Number: 0004079930



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 11th day of April A.D. 2018.

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

I, Gary Coulombe, do hereby certify that:

(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Tri-County Community Action Program, Inc.  
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of  
the Agency duly held on February 27<sup>nd</sup>, 2018:  
(Date)

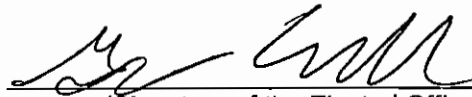
**RESOLVED:** That the Chief Executive Officer  
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to  
execute any and all documents, agreements and other instruments, and any amendments, revisions,  
or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of  
The 5<sup>th</sup> day of June 2018.  
(Date Contract Signed)

4. Jeanne L. Robillard is the duly elected Chief Executive Officer  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Coos


The forgoing instrument was acknowledged before me this 5<sup>th</sup> day of June, 2018,

By Gary Coulombe  
(Name of Gary Coulombe of the Agency)

(NOTARY SEAL)



Commission Expires November 22, 2022

  
(Notary Public/Justice of the Peace)





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
5/11/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> FIAI/Cross Insurance 1100 Elm Street  Manchester NH 03101		<b>CONTACT NAME:</b> Karen Shaughnessy <b>PHONE (A/C, No, Ext):</b> (603) 669-3218 <b>FAX (A/C, No):</b> (603) 645-4331 <b>E-MAIL ADDRESS:</b> kshaughnessy@crossagency.com	
<b>INSURED</b> Tri-County Community Action Program, Inc 30 Exchange Street  Berlin NH 03570		<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Technology Ins. Co. <b>NAIC #</b> 42376 <b>INSURER B:</b> Wesco Ins. Co. <b>25011</b> <b>INSURER C:</b> AmGuard Ins Co <b>42390</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>	

**COVERAGES** **CERTIFICATE NUMBER:** 17-18 All lines **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 SUBR INSD 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 checked="" type="checkbox"/> LOC OTHER:		TPP1224751	7/1/2017	7/1/2018	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 \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 Crime/Employee Dishonesty \$ 600,000
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		TPP1224751	7/1/2017	7/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Underinsured motorist \$ 1,000,000
B	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		WUM1565713	7/1/2017	7/1/2018	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A	TRWC856263	7/1/2017	7/1/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A	<b>Professional Liability</b>		TPP1224751	7/1/2017	7/1/2018	Per Occurrence \$1,000,000 Aggregate \$3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Refer to policy for exclusionary endorsements and special provisions.

<b>CERTIFICATE HOLDER</b>  State of New Hampshire DHHS 129 Pleasant Street Concord, NH 03301	<b>CANCELLATION</b>  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  T Franggos/JSC <i>Jali The Agency</i>
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June 4, 2018

Mr. Kalasky, James  
NH Department of Health and Human Services  
Brown Building  
129 Pleasant Street  
Concord, NH 03301

Re: Insurance

Dear Mr. Kalasky,

Please let this letter serve as verification that Tri-County Community Action Program, Inc. maintains all required insurance coverages. Tri-County CAP's current Insurance policies are scheduled to renew effective 7/1/2018 Tri-County CAP's will maintain the same insurance coverage that is currently in place in place. There will be no break in service or lapse in coverage.

All of us at Tri-County CAP look forward to continuing our successful staffing partnership New Hampshire D.O.C. If you have any questions, please contact me at 603-752-7002, extension 207 or by email at [jrobillard@tccap.org](mailto:jrobillard@tccap.org).

Sincerely,

Jeanne L. Robillard  
Chief Executive Officer

## **MISSION STATEMENT**

**Tri-County CAP is a group of people and projects dedicated to improving the lives and well-being of New Hampshire's people and communities.**

**We provide opportunities and support for people to learn and grow in self-sufficiency, and to get involved in helping their neighbors and improving the conditions in their communities.**

***Tri-County Community Action Programs...  
Helping people, changing lives.***

**TRI-COUNTY COMMUNITY ACTION PROGRAM, Inc. Is a private, non-profit 501(C) 3 corporation that is dedicated to improving the lives and well being of New Hampshire's people and communities. Formed on May 18, 1965, we provide opportunities and support for people to learn and grow in self-sufficiency and get involved in helping their neighbors and improving the conditions in their communities.**

***TRI-COUNTY COMMUNITY ACTION PROGRAM, Inc.***

***...Helping people, changing lives.***

*Financial Statements*

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**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.  
AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR YEARS ENDED JUNE 30, 2017 AND 2016  
AND  
INDEPENDENT AUDITORS' REPORTS**

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

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To the Board of Directors of  
Tri-County Community Action Program, Inc.  
Berlin, New Hampshire

## **INDEPENDENT AUDITORS' REPORT**

### ***Report on the Financial Statements***

We have audited the accompanying consolidated financial statements of Tri-County Community Action Program, Inc. and Affiliate (a New Hampshire nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities, cash flows and functional expenses for the years 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 audit 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' judgement, 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 consolidated financial position of Tri-County Community Action Program, Inc. and Affiliate as of June 30, 2017 and 2016, and its consolidated cash flows for the years then ended, and the changes in its net assets for the year ended June 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited Tri-County Community Action Program, Inc. and Affiliate's 2016 consolidated financial statements, and we expressed an unmodified audit opinion on those consolidated financial statements in our report dated November 16, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

### **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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 November 10, 2017, on our consideration of Tri-County Community Action Program, 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 the effectiveness of Tri-County Community Action Program, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tri-County Community Action Program, Inc.'s internal control over financial reporting and compliance.

*Leone, McDonnell + Roberts*  
*Professional Association*

November 10, 2017  
North Conway, New Hampshire

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 505,700	\$ 589,806
Accounts receivable	1,326,994	1,248,318
Pledges receivable	205,804	229,419
Inventories	65,641	88,880
Prepaid expenses	<u>45,345</u>	<u>40,992</u>
Total current assets	<u>2,149,484</u>	<u>2,197,415</u>
<b>PROPERTY</b>		
Property, plant, and equipment	13,544,469	13,388,060
Less accumulated depreciation	<u>(5,317,470)</u>	<u>(5,052,926)</u>
Property, net	<u>8,226,999</u>	<u>8,335,134</u>
<b>OTHER ASSETS</b>		
Restricted cash	942,687	787,761
Building refinance costs, net	<u>13,591</u>	<u>14,478</u>
Total other assets	<u>956,278</u>	<u>802,239</u>
<b>TOTAL ASSETS</b>	<u>\$ 11,332,761</u>	<u>\$ 11,334,788</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Demand note payable	\$ 671,434	\$ 863,867
Current portion of long term debt	587,809	197,181
Current portion of capital lease obligations	4,057	2,718
Accounts payable	518,447	675,526
Accrued compensated absences	242,545	294,243
Accrued salaries	196,882	176,185
Accrued expenses	107,627	93,764
Refundable advances	197,548	233,329
Other liabilities	<u>645,311</u>	<u>510,910</u>
Total current liabilities	<u>3,171,660</u>	<u>3,047,723</u>
<b>LONG TERM DEBT</b>		
Long term debt, net of current portion	5,254,436	5,866,916
Capital lease obligations, net of current portion	<u>12,670</u>	<u>11,756</u>
Total liabilities	<u>8,438,766</u>	<u>8,926,395</u>
<b>NET ASSETS</b>		
Unrestricted	2,191,395	1,630,450
Temporarily restricted	<u>702,600</u>	<u>777,943</u>
Total net assets	<u>2,893,995</u>	<u>2,408,393</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 11,332,761</u>	<u>\$ 11,334,788</u>

See Notes to Consolidated Financial Statements



**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	Unrestricted	Temporarily Restricted	2017 Total	2016 Total
<b>REVENUES AND OTHER SUPPORT</b>				
Grant and contracts	\$ 12,338,863	\$ 305,694	\$ 12,644,557	\$ 12,604,401
Program funding	1,638,901	69,586	1,708,487	1,761,690
Utility programs	972,359	-	972,359	1,279,740
In-kind contributions	436,874	-	436,874	313,824
Contributions	486,754	10,981	497,735	267,932
Fundraising	42,421	-	42,421	37,281
Rental income	847,380	-	847,380	800,533
Interest income	270	-	270	272
Loss on disposal of property	(16,686)	-	(16,686)	(175,932)
Forgiveness of debt	25,912	-	25,912	-
Other revenue	4,461	-	4,461	421
<b>Total revenues and other support</b>	<b>16,777,510</b>	<b>386,261</b>	<b>17,163,771</b>	<b>16,890,162</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>461,604</b>	<b>(461,604)</b>	<b>-</b>	<b>-</b>
<b>Total revenues, other support, and net assets released from restrictions</b>	<b>17,239,114</b>	<b>(75,343)</b>	<b>17,163,771</b>	<b>16,890,162</b>
<b>FUNCTIONAL EXPENSES</b>				
Program Services:				
Agency Fund	825,517	-	825,517	779,057
Head Start	2,312,665	-	2,312,665	2,176,567
Guardianship	735,925	-	735,925	735,473
Transportation	1,063,996	-	1,063,996	1,074,998
Volunteer	121,543	-	121,543	101,998
Workforce Development	402,576	-	402,576	366,205
Alcohol and Other Drugs	1,165,000	-	1,165,000	1,086,057
Carroll County Dental	542,920	-	542,920	513,419
Carroll County Restorative Justice	-	-	-	47,843
Support Center	265,052	-	265,052	276,766
Homeless	554,509	-	554,509	514,521
Energy and Community Development	6,276,570	-	6,276,570	6,988,501
Elder	1,026,070	-	1,026,070	1,125,851
Housing Services	167,528	-	167,528	161,727
<b>Total program services</b>	<b>15,459,871</b>	<b>-</b>	<b>15,459,871</b>	<b>15,948,983</b>
Supporting Activities:				
General and administrative	1,213,425	-	1,213,425	1,236,429
Fundraising	4,873	-	4,873	1,191
<b>Total supporting activities</b>	<b>1,218,298</b>	<b>-</b>	<b>1,218,298</b>	<b>1,237,620</b>
<b>Total functional expenses</b>	<b>16,678,169</b>	<b>-</b>	<b>16,678,169</b>	<b>17,186,603</b>
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>560,945</b>	<b>(75,343)</b>	<b>485,602</b>	<b>(296,441)</b>
<b>OTHER INCOME</b>				
Gain on interest rate swap	-	-	-	7,385
<b>TOTAL CHANGES IN NET ASSETS</b>	<b>560,945</b>	<b>(75,343)</b>	<b>485,602</b>	<b>(289,056)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>1,830,450</b>	<b>777,943</b>	<b>2,408,393</b>	<b>2,697,449</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 2,191,395</b>	<b>\$ 702,600</b>	<b>\$ 2,893,995</b>	<b>\$ 2,408,393</b>

See Notes to Consolidated Financial Statements

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 485,602	\$ (289,056)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	492,141	472,186
Donation of property and equipment	(224,685)	-
Loss on disposal of property	16,685	175,932
Forgiveness of debt	(25,912)	-
Gain on interest rate swap	-	(7,385)
(Increase) decrease in assets:		
Accounts receivable	(78,676)	(234,044)
Pledges receivable	23,615	18,335
Inventories	23,239	27,270
Prepaid expenses	(4,353)	(10,314)
Restricted cash	(154,926)	(247,366)
(Decrease) increase in liabilities:		
Accounts payable	(157,079)	3,744
Accrued compensated absences	(51,698)	(37,781)
Accrued salaries	20,697	41,363
Accrued expenses	13,863	(13,710)
Refundable advances	(35,781)	41,986
Other liabilities	134,401	230,436
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>477,133</u>	<u>171,596</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property	26,750	75,000
Purchases of property and equipment	(181,113)	(116,320)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(154,363)</u>	<u>(41,320)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net (repayment) advance on demand note payable	(192,432)	191,660
Repayment of long-term debt	(210,808)	(219,778)
Repayment of capital lease obligations	(3,636)	(1,302)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(406,876)</u>	<u>(29,420)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(84,106)	100,856
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>589,806</u>	<u>488,950</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 505,700</u>	<u>\$ 589,806</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for:		
Interest	<u>\$ 208,781</u>	<u>\$ 184,941</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Purchase of property and equipment financed by long-term debt	<u>\$ 14,867</u>	<u>\$ 45,689</u>
Purchase of property and equipment financed by capital lease	<u>\$ 5,889</u>	<u>\$ 15,776</u>
Line of credit converted to long term debt	<u>\$ -</u>	<u>\$ 28,045</u>

See Notes to Consolidated Financial Statements

TRICOUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2017

	Agency Fund	Head Start	Guardianship	Transportation	Volunteer	Workforce Development	Alcohol and Other Drugs	Carroll County Dental	Support Center	Homeless	Energy and Development	Elder	Housing Services	Total	General & Administrative	Fundraising	Total
<b>Direct Expenses</b>																	
Payroll	\$ 104,099	\$ 1,122,988	\$ 500,276	\$ 459,600	\$ 57,825	\$ 178,248	\$ 748,468	\$ 326,917	\$ 163,094	\$ 295,500	\$ 1,005,420	\$ 427,878	\$ 11,851	\$ 5,389,959	\$ 638,847	\$ -	\$ 6,028,806
Payroll taxes and benefits	19,111	307,007	129,564	97,125	15,155	45,427	180,112	66,553	40,766	72,525	280,296	94,161	-	1,347,802	165,870	-	1,513,672
Assistance to clients	1,079	-	-	-	-	53,724	-	-	1,511	57,638	4,263,487	-	-	4,377,437	-	-	4,377,437
Consultants and contractors	3,475	38,758	4,462	12,916	-	-	33,608	3,369	-	10,000	8,690	75,065	-	190,347	11,697	-	202,044
Fiscal and administrative	606	24,672	8,142	3,732	760	192	6,544	3,631	1,435	1,138	39,910	3,297	-	93,207	82,714	-	176,921
Space costs and rentals	1,984	187,816	31,005	13,860	4,774	95,919	30,550	-	-	33,536	194,444	56,494	-	591,990	228,794	-	819,884
Consumable supplies	14,973	178,087	8,236	9,007	1,192	2,899	73,307	40,430	6,540	8,134	274,747	276,839	13,528	902,888	11,093	-	913,981
Maintenance of equipment and rental	(10,919)	2,997	1,261	7,404	17	-	4,951	10,850	1,944	1,435	7,220	10,845	-	37,068	28,150	-	65,158
Building and grounds maintenance	81,132	32,160	-	1,635	-	665	7,620	1,420	11,290	7,990	999	12,476	29,602	188,279	1,708	-	187,985
Utilities	128,652	20,225	14,678	13,335	1,277	7,052	33,860	9,933	21,082	21,383	28,625	18,473	21,905	340,520	3,780	-	544,270
Fixed fees	-	-	-	-	-	-	-	-	3	-	-	-	-	1,492	-	-	1,492
Travel and meetings	802	54,129	25,587	97,127	2,855	18,927	12,047	2,721	4,020	14,991	10,689	23,728	905	268,529	7,170	-	276,689
Vehicle expense	7,455	39	-	130,623	-	-	1,394	-	-	321	25,671	-	-	165,503	-	-	166,500
Insurance	90,983	20,168	943	36,222	899	-	16,506	2,472	6,484	6,721	31,683	-	14,951	226,622	6,175	-	232,797
Interest expense	144,581	46	1,890	3,820	42	-	6,791	37,145	454	1,022	12,667	583	-	209,781	4,870	-	213,451
Other direct program costs	45,603	6,279	8,991	21,573	253	1,526	(13,937)	4,867	687	1,639	110,351	6,376	8,797	203,394	22,789	4,873	231,056
Depreciation and amortization expense	179,148	31,268	-	123,747	-	-	24,153	32,542	10,025	1,752	21,465	552	67,389	492,141	-	-	492,141
In-kind expended	12,850	303,258	-	32,070	35,413	-	-	-	7,877	20,589	-	19,017	-	435,874	-	-	430,874
<b>Total Direct Expenses</b>	<b>625,517</b>	<b>2,312,685</b>	<b>735,925</b>	<b>1,063,996</b>	<b>121,543</b>	<b>402,576</b>	<b>1,165,000</b>	<b>542,920</b>	<b>265,052</b>	<b>554,509</b>	<b>6,276,570</b>	<b>1,026,070</b>	<b>167,528</b>	<b>15,459,871</b>	<b>1,213,425</b>	<b>4,873</b>	<b>16,678,169</b>
<b>Indirect Expenses</b>																	
Indirect costs	78,804	251,442	89,711	112,610	10,766	33,919	142,608	63,688	32,038	57,689	220,902	119,278	-	1,213,425	(1,213,425)	-	-
<b>Total Direct &amp; Indirect expenses</b>	<b>\$ 904,321</b>	<b>\$ 2,864,107</b>	<b>\$ 825,636</b>	<b>\$ 1,176,606</b>	<b>\$ 132,309</b>	<b>\$ 436,495</b>	<b>\$ 1,307,608</b>	<b>\$ 606,608</b>	<b>\$ 297,090</b>	<b>\$ 612,208</b>	<b>\$ 6,497,532</b>	<b>\$ 1,145,348</b>	<b>\$ 167,528</b>	<b>\$ 16,673,296</b>	<b>\$ -</b>	<b>\$ 4,873</b>	<b>\$ 16,678,169</b>

See Notes to Consolidated Financial Statements

**TRICOUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Agency Fund	Head Start	Quadrant 4	Transportation	Volunteer	Workforce Development	Alcohol and Other Drugs	Cannal County Dental	Cannal County Restorative Justice	Support Center	Homeless Development	Elder	Housing Services	Total	General & Administrative	Fundraising	Total
<b>Direct Expenses</b>																	
Payroll	\$ 85,540	\$ 1,115,668	\$ 489,882	\$ 489,888	\$ 63,903	\$ 158,484	\$ 615,812	\$ 312,948	\$ 18,541	\$ 164,742	\$ 287,318	\$ 454,186	\$ 11,880	\$ 5,419,982	\$ 650,628	\$ -	\$ 6,070,591
Payroll taxes and benefits	18,402	208,788	78,545	91,265	14,706	33,897	181,595	66,234	5,087	43,120	64,194	105,785	-	1,284,935	181,375	-	1,466,310
Assistance by donors	6,122	-	-	-	289	3,977	-	-	-	-	35,075	4,828,828	-	4,878,991	-	-	4,878,991
Consultants and contractors	4,638	30,459	5,220	37,208	-	-	38,701	22,160	6,570	669	10,030	18,030	1,439	243,634	35,669	-	279,303
Print and administrative	1,606	18,755	7,960	4,660	813	158	4,881	6,379	510	1,153	768	48,324	2,771	59,183	92,164	-	191,941
Special costs and meals	21,495	158,778	32,638	13,880	4,991	89,078	22,403	76,412	14,198	7,673	33,841	300,094	54,172	659,904	217,284	-	877,188
Consumables supplies	12,991	134,978	10,384	10,694	2,313	1,994	76,412	17,092	-	-	6,771	300,094	300,676	889,485	19,678	-	909,163
Maintenance of equipment and rental	2,400	2,393	1,018	6,970	-	-	1,973	4,288	-	-	482	9,550	11,748	38,623	803	-	49,726
Building and ground maintenance	66,247	30,124	-	3,385	-	7,178	10,263	8,150	1,028	9,116	4,435	34,468	20,030	117,748	4,957	-	168,179
Utilities	128,688	24,187	14,625	13,897	910	-	39,489	6,150	-	20,759	21,839	19,574	22,828	156,121	88	-	306,169
Travel fees	880	58,701	29,352	89,793	1,469	13,881	14,188	1,901	283	8,094	16,134	18,070	2,104	253,810	8,644	-	262,454
Travel and meetings	3,891	63	-	14,888	-	-	1,164	-	-	-	1,866	18,070	-	253,810	8,644	-	262,454
Vehicle expenses	113,203	19,851	1,133	44,888	-	-	20,098	3,388	-	6,831	3,866	34,983	16,620	186,063	6,111	-	192,174
Insurance	123,891	-	583	20,853	-	-	6,684	35,748	-	22	8,315	42,883	-	284,488	5,288	-	290,346
Other direct program costs	17,143	14,445	14,250	10,777	60	897	80,632	1,039	628	1,918	1,974	12,328	11,080	151,838	4,869	-	168,003
Direct election administration expense	180,853	18,387	-	119,839	6,745	-	22,844	32,342	-	10,023	1,732	18,261	87,382	471,891	29,572	-	501,463
Indirect expensed	243,183	-	-	-	6,812	-	-	-	-	4,893	11,888	-	-	37,924	289	-	37,924
<b>Total Direct Expenses</b>	<b>773,697</b>	<b>2,179,667</b>	<b>705,472</b>	<b>1,074,936</b>	<b>101,988</b>	<b>369,205</b>	<b>1,088,697</b>	<b>513,419</b>	<b>47,843</b>	<b>278,758</b>	<b>614,621</b>	<b>6,888,501</b>	<b>181,727</b>	<b>15,948,983</b>	<b>1,236,429</b>	<b>1,191</b>	<b>17,186,603</b>
<b>Indirect Expenses</b>																	
Indirect costs	90,892	230,822	69,118	119,824	11,376	38,106	127,802	69,982	4,144	33,812	60,001	248,401	-	1,206,429	(1,236,429)	-	-
<b>Total Direct &amp; Indirect expenses</b>	<b>\$ 864,589</b>	<b>\$ 2,410,489</b>	<b>\$ 774,590</b>	<b>\$ 1,194,760</b>	<b>\$ 113,364</b>	<b>\$ 407,311</b>	<b>\$ 1,216,499</b>	<b>\$ 583,401</b>	<b>\$ 51,987</b>	<b>\$ 312,570</b>	<b>\$ 674,622</b>	<b>\$ 2,237,902</b>	<b>\$ 181,727</b>	<b>\$ 17,155,412</b>	<b>\$ -</b>	<b>\$ 1,191</b>	<b>\$ 17,186,603</b>

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Principles of Consolidation**

The consolidated financial statements include the accounts of Tri-County Community Action Program, Inc. and its affiliate, Cornerstone Housing North, Inc. The two organizations are consolidated because Tri-County Community Action Program, Inc. controls 100% of the voting power of Cornerstone Housing North, Inc. All significant intercompany items and transactions have been eliminated from the basic financial statements. Tri-County Community Action Program, Inc. (the Organization) is a New Hampshire non-profit corporation that operates a wide variety of community service programs which are funded primarily through grants or contracts from various federal, state, and local agencies. Cornerstone Housing North, Inc. (a New Hampshire nonprofit corporation) was incorporated under the laws of the State of New Hampshire for the acquisition, construction and operation of community based housing for the Elderly.

**Nature of activities**

The Organization's programs consist of the following:

**Agency**

Tri-County CAP Administration provides central program management support and oversight to our many individual programs. This includes planning and budget development, bookkeeping and accounting, payroll and HR services, legal and audit services, IT support, management support, financial support and central policy development.

Tri-County CAP Administration is the liaison between Tri-County Community Action Program, Inc., Board of Directors and its programs, ensuring that programs comply with agreements made by the Board to funding sources and vendors.

Other responsibilities include the management and allocation of funding received through a Community Services Block Grant, as well as management of the Organization's real estate property.

**Head Start**

Head Start provides comprehensive services to low-income children and their families. Head Start supports children's growth and development in a positive learning environment through a variety of activities as well as providing services, which include in addition to Early learning, Health and Family well-being. All children receive health and development screenings, nutritious meals, oral health and mental health support. Parents and families are supported in achieving their own goals, such as housing stability, continued education, and financial stability.

Programs support and strengthen parent-child relationships as their child's primary educator. Head Start staff work as partners with parents to identify and provide individualized activities that support their child's growth and development.

Tri County Community Action Head Start serves 217 children in Carroll, Coos & Grafton counties in 9 locations with 12 center-based classrooms and 1 home based option.

### **Guardianship**

The Organization's Guardianship program provides advocacy and guardian services for the vulnerable population of New Hampshire residents (developmentally disabled, chronically mentally ill, traumatic brain injury, and the elderly suffering from Alzheimer's, dementia, and multiple medical issues) who need a guardian and who have no family member or friend willing, able, or suitable to serve in that capacity. This program serves 407 individuals.

### **Transportation**

The Organization's transit program provides various transportation services: public bus routes, door-to-door service by request, long distance medical travel to medical facilities outside our regular service area, and special trips for the elderly to go shopping and enjoy other activities that are located outside the regular service area. The Organization's fleet of 19 wheelchair accessible vehicles offers transportation options to the elderly and disabled, as well as to the general public.

### **Volunteer**

The Coos County Retired & Senior Volunteers Program (RSVP) maintains a minimum group of 400 volunteers, ages 55 and older. These volunteers share their skills, life experiences, and time with over 60 local non-profit and public agencies throughout Coos County that depend on volunteer assistance to meet the needs of their constituents. Our volunteers donate over 53,000 hours yearly.

### **Workforce Development**

The Organization is assisting transitional and displaced workers as they prepare for new jobs, and also assisting currently-employed workers to gain the skills required for better jobs.

The Organization is helping to implement New Hampshire's Unified State Plan for Workforce Development, in line with the federal Workforce Investment Act. Workforce training programs, with training facilities in three towns, provide temporary assistance for needy family (TANF) recipients with 20-30 hours per week of training in the areas of employment skills, computer skills, and business experience, and also place participating TANF recipients in community-based work experience sites.

**Alcohol & Other Drugs (AOD)**

Services provided through the AOD program include assisting the alcoholic/addicted person on the road to recovery, through three phases: Crisis Intervention, Sobriety Maintenance, and Assessment and Referral to appropriate treatment facilities.

The Residential Treatment Programs (Friendship House) provide chemically dependent individuals with the fundamental tools of recovery, including educational classes, group and individual counseling, work and recreational therapy, and attendance at in-house and community-based alcoholics anonymous and narcotics anonymous meetings. The AOD program also offers assistance with its impaired driver programs.

The Friendship House, in December of 2014, had approximately \$130,000 worth of investments and improvements due to assistance from Public Services of New Hampshire. There were \$18,847 and \$92,748 of pre-development capitalized expenses in 2017 and 2016, respectively.

See Note 17 for subsequent events.

**Carroll County Dental**

The Tamworth Dental Center (the Center) offers high quality oral health care to children with NH Medicaid coverage. The Organization also serves uninsured and underinsured children and adults using a sliding fee scale that offers income-based discounts for care. The Center accepts most common dental insurances for those who have commercial dental insurance coverage. A school-based project of the Dental Center, School Smiles, offers oral health education, screening, treatment and referrals for treatment to over 1,000 children in 9 schools in the vicinity of the Center.

**Carroll County Restorative Justice**

The Organization's restorative justice program provides comprehensive alternatives to traditional court sentencing and dispute resolution within the framework of Balanced and Restorative Justice. Two key components of this process are personal accountability for one's actions (diversion) and alternative conflict resolution (mediation). Services are provided by in-house staff, volunteers, and partnered relations with other local service providers. The division was discontinued in January 2016.

**Support Center**

The Organization's Support Center at Burch House provides direct service and shelter to victims and survivors of domestic and sexual violence and stalking in Northern Grafton County. Support Center services are accessible 24 hours a day, 365 days a year. They include: crisis intervention; supportive counseling; court, hospital and policy advocacy and accompaniment; emergency shelter; support groups; community education and outreach; violence prevention programs for students; information, referrals and assistance accessing other community resources.

### **Homeless**

Homeless services include an outreach intervention and prevention project that strives to prevent individuals and families from becoming homeless, and assists the already homeless in securing safe, affordable housing. The Organization provides temporary shelter space for homeless clients.

The Organization also provides some housing rehabilitation services to help preserve older housing stock.

### **Energy Assistance and Outreach**

Energy Assistance Services provide fuel and electric assistance through direct pay to vendors or a discount on the client's bill. Community Contact sites allow local participants access to energy assistance programs and other emergency services. The offices provide information to the Organization's clients about other programs offered, as well as other programs available through other organizations in the community.

### **Low-Income Weatherization**

The NH Weatherization Program helps low-income families, Elderly, Disabled, Small children and individuals lower their home energy costs; increase their health, safety, and comfort; and improve the quality of living while improving housing stock in communities around the state utilizing energy cost saving, health and safety and carbon lowering measures. The NH Weatherization Assistance Program also creates Local NH jobs.

### **Elder**

The Organization's Elder program provides senior meals in 15 community dining sites, home-delivered meals (Meals on Wheels) to the frail and homebound elderly, and senior nutrition education and related programming. The Coos County ServiceLink Aging & Disability Resource Center assists with person-centered counseling, Medicare counseling, Medicaid assistance, long-term care counseling services, and caregiver supports.

### **Housing Services**

Cornerstone Housing North, Inc. is subject to a Project Rental Assistance Contract (PRAC) with the United States Department of Housing and Urban Development, and a significant portion of their rental income is received from the Department of Housing and Urban Development.

The Organization includes a 12 unit apartment complex in Berlin, New Hampshire for the elderly. This operates under Section 202 of the National Housing Act and is regulated by the U.S. Department of Housing and Urban Development (HUD) with respect to the rental charges and operating methods.



The above Organization has a Section 202 Capital Advance. Under guidelines established by the U.S. Office of Management and Budget *Uniform Guidance, Title 2 U.S. Code of Federal Regulations (CFR) part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, the Section 202 Capital Advance is considered to be a major program.

**Method of accounting**

The consolidated financial statements of Tri-County Community Action Program, Inc. have been prepared utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under this basis, revenue, other than contributions, and expenses are reported when incurred without regard to the date of receipt or payment of cash.

**Basis of presentation**

Financial statement presentation follows the recommendations of the FASB in its Accounting Standard Codification No. 958 *Financial Statements of Not-For-Profit Organizations*. Under FASB ASC No. 958, 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.

The Organization had no permanently restricted net assets at June 30, 2017 and 2016. The Organization had temporarily restricted net assets of \$702,600 and \$777,943 at June 30, 2017 and 2016, respectively.

**Restricted and unrestricted support**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Unrestricted net assets** include revenues and expenses and contributions which are not subject to any donor imposed restrictions. Unrestricted net assets can be board designated by the Board of Directors for special projects and expenditures.

**Temporarily restricted net assets** include contributions for which time restrictions or donor-imposed restrictions have not yet been met. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction (**Note 12**).

**Permanently restricted net assets** include gifts which require, by donor restriction, that the corpus be invested in perpetuity and only the income or a portion thereof (excluding capital gains restricted by State statute) be made available for program operations in accordance with donor restrictions. The Organization had no permanently restricted net assets at June 30, 2017 and 2016.

### **Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. The accounting standards for fair values establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The hierarchy is classified into three levels based on the reliability of inputs as follows:

**Level 1:** Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

**Level 2:** Valuation is determined from quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in markets that are not active or by model-based techniques in which all significant inputs are observable in the market.

**Level 3:** Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The degree of judgment exercised in determining fair value is greatest for instruments categorized as Level 3.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, the type of asset/liability, whether the asset/liability is established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, assumptions are required to reflect those that market participants would use in pricing the asset or liability at the measurement date.

As disclosed in **Note 6**, the bond payable, formerly bearing monthly interest of 69% of the sum of the one month London Interbank Offered Rate (LIBOR) plus 3.25%, when the Organization's debt service coverage ratio was 1.10; or 3.00% when the Organization's debt service coverage ratio was 1.20, included an interest rate swap agreement. The Organization paid interest at a fixed 3.85%. The arrangement was scheduled to expire on August 2040. The notional amount of the contract was \$3,145,412. Accordingly, the swap arrangement, which is a derivative financial instrument, was classified as a cash flow hedge and was valued at the net present value (NPV) of all estimated future cash flows. The Organization's purpose in entering into a swap arrangement was to hedge against the risk of interest rate increases on the related variable rate debt and not to hold the instrument for trading purposes. The swap arrangement was removed in February 2016 when the bond agreement was renewed and the effective interest rate became 2.75% plus the bank's internal cost of funds multiplied by 67%. The rate at the time of renewal was 3.10%. For the year ended June 30, 2016, the Organization realized a gain of \$7,385 on the swap and there was no fair value of the swap remaining after the bond was renewed.

#### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Most of the receivables are amounts due from federal and state awarding agencies and are based on reimbursement for expenditures made under specific grants or contracts. A portion of the accounts receivable balance represents amounts due from patients at Carroll County Dental and participants in the alcohol and other drug treatment programs. Past due receivables are written off at management's discretion using the direct write off method; this is not considered a departure from accounting principles generally accepted in the United State because the effects of the direct write method approximate those of the allowance method. Management selects accounts to be written off after analyzing past payment history, the age of the accounts receivable, and collection rates for receivables with similar characteristics, such as length of time outstanding. The Organization does not charge interest on outstanding accounts receivable.

#### **Property and Depreciation**

Acquisitions of buildings, equipment, and improvements in excess of \$5,000 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Buildings, equipment, and improvements are stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets.

Depreciation expense related to assets used solely by an individual program is charged directly to the related program.

Depreciation expense for assets used by more than one program is charged to the program based upon a square footage or other similar allocation.

Depreciation expense related to administrative assets is included in the indirect cost pool and charged to the programs in accordance with the indirect cost plan. Maintenance and repairs that do not materially prolong the useful lives of assets are charged to expense as incurred.

Estimated useful lives are as follows:

Buildings and Improvements	20 to 40 years
Vehicles	5 to 8.5 years
Furniture and equipment	5 to 15 years

**Client Rents and HUD Rent Subsidy**

Cornerstone Housing North, Inc.'s rents are approved on an annual basis by the Department of Housing and Urban Development. Rental increases are prohibited without such approval. The clients are charged rent equal to 30% of their income less adjustments allowed by the Department of Housing and Urban Development. Rent subsidies are received from the Department of Housing and Urban Development for the difference between the allowed rents and the amounts received from the clients.

**Refundable Advances**

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services or expenditures are performed or incurred. Funds received in advance of grantor conditions being met aggregated \$197,548 and \$233,329 as of June 30, 2017 and 2016, respectively.

**Nonprofit tax status**

The Organization is a *not-for-profit* Section 501(c)(3) organization in accordance with the Internal Revenue Code. It has been classified as an Organization that is not a private foundation under the Internal Revenue Code and qualifies for a charitable contribution deduction for individual donors. The Organization files information returns in the United States. The Organization's Federal Form 990 (Return of Organization Exempt from Income Tax), is subject to examination by the IRS, generally for three years after it is filed. The Organization is no longer subject to examinations by tax authorities for years prior to 2013.

The Organization follows FASB ASC, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. The Organization does not believe they have taken uncertain tax positions, therefore, a liability for income taxes associated with uncertain tax positions has not been recognized.

Cornerstone Housing North, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined the Organization to be other than a private foundation within the meaning of Section 509(a).

#### **Retirement plan**

The Organization maintains a tax-sheltered annuity plan under the provisions of Section 403(b) of the Internal Revenue Code. All employees are eligible to contribute to the plan beginning on the date they are employed. Each employee may elect salary reduction agreement contributions in accordance with limits allowed in the Internal Revenue Code. Employer contributions are at the Organization's annual discretion. In January 2013, employer contribution payments ceased, therefore as of June 30, 2017 and 2016, there were no discretionary contributions recorded. Further information can be obtained from the Organization's 403(b) audited financial statements.

#### **Donated services and goods**

Contributions of donated services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

Contributed noncash assets are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of noncash assets are recorded as unrestricted support.

#### **Donated property and equipment**

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

#### **Promises to Give**

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at the net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

As of June 30, 2017 and 2016, there were promises to give that were absent of donor stipulations, but restricted in regards to timing, and therefore classified as temporarily restricted in the amount of \$205,804 and \$229,419, respectively. This amount was included in grants and contracts on the Consolidated Statement of Activities.

#### **Use of estimates**

The presentation of financial statements in conformity accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### **Fair Value of Financial Instruments**

Accounting Standards Codification No. 825 (ASC 825), *Disclosures of Fair Value of Financial Instruments*, requires the Organization to disclose fair values of its financial instruments. The carrying amount of the Organization's financial instruments which consists of cash, accounts receivable, deposits and accounts payable, approximate fair value because of the short-term 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 in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

**Program salaries and related expenses** are allocated to the various programs and supporting services based on actual or estimated time employees spend on each function as reported on a timesheet.

**Workers Compensation expenses** are charged to each program based upon the classification of each employee and allocated to the various program based upon the time employees spend on each function as noted above.

**Paid Leave** is charged to a leave pool and is allocated to each program as a percentage of total salaries.

**Fringe Benefits** are charged to a Fringe Benefit Pool. These expenses include employer payroll taxes, pension expenses, health and dental insurance and unemployment compensation. The pool is allocated to each program based upon a percentage of salaries.

**Depreciation expense** is allocated to each program based upon specific assets used by the program and is reported as depreciation expense on the statements of functional expenses.

**Other occupancy expenses** are applicable to assets which are used by multiple programs. Buildings are primarily charged to the benefiting program based upon an analysis of square footage. Costs related to a building include depreciation, insurance, utilities, building maintenance, etc. These costs are reported as space costs on the statements of functional expenses.

**Insurance**; automobile insurance is allocated to programs based on vehicle usage; building liability insurance is allocated to programs based on square footage of the buildings; and insurance for furniture and equipment is allocated to programs using the book basis of the insured assets.

**The remaining shared expenses** are charged to an Indirect Cost Pool and are allocated to each program based upon a percentage of program expenses. The expenses include items such as administrative salaries, general liability insurance, administrative travel, professional fees and other expenses which cannot be specifically identified and charged to a program.

The Organization submits an indirect cost rate proposal for the paid leave, fringe benefits and other indirect costs to the U.S. Department of Health and Human Services. The proposal effective for the fiscal year beginning July 1, 2016 received provisional approval and is effective until amended at a rate of 12.7%. Per the agreement with the U.S. Department of Health and Human Services, the Organization's final rate for the year ended June 30, 2016 was 12.5%.

#### **Advertising policy**

The Organization uses advertising to inform the community about the programs it offers and the availability of services. Advertising is expensed as incurred. The total cost of advertising for the years ended June 30, 2017 and 2016 was \$26,456 and \$27,769, respectively.

#### **NOTE 2. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash on hand, funds on deposit with financial institutions, and investments with original maturities of three months or less. At year end and throughout the year, the Organization's cash balances were deposited with multiple financial institutions. At June 30, 2017, the balances in interest and non-interest-bearing accounts were insured by the FDIC up to \$250,000. At June 30, 2017, there was approximately \$665,000 of deposits held in excess of the FDIC limit. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents and considers this a normal business risk.



### **Cash Restrictions**

The Organization is required to maintain a deposit account with a bank as part of the loan security agreement disclosed at **Note 6**. The required balance in the account is \$52,497 and is restricted from withdrawal except to make payments of debt service or as approved by the US Department of Agriculture.

Amounts withdrawn to make payments of debt service must be replenished with monthly deposits until the maximum required deposit balance is achieved. The balance as of June 30, 2017 and 2016 was \$19,611 and \$15,372, respectively. The Organization was not in compliance with this requirement; however, in May 2013, the client began making the required monthly deposits. The Organization has made all of their scheduled deposits for the years ended June 30, 2017 and 2016. These amounts are included in restricted cash on the Statements of Financial Position.

The Organization is required to maintain a deposit account with another bank as part of a bond issue (see bond payable in **Note 6**). The required balance in the account is \$173,817 and is equal to the interest payments on the bond for a 12-month period. The balance as of June 30, 2017 and 2016 was \$187,095 and \$186,908, respectively, and the Organization was in compliance with this requirement. These amounts are included in restricted cash on the Statements of Financial Position.

The Organization maintains a deposit account on behalf of clients who participate in the Guardianship Services Program. The balance in the account is restricted for use on behalf of these clients and an offsetting liability is reported on the financial statements as other current liabilities. The total current liability related to this restriction at June 30, 2017 and 2016 was \$642,308 and \$509,095, respectively. These amounts are included in other liabilities on the Statements of Financial Position. The total restricted cash within this account at June 30, 2017 and 2016 was \$642,308 and \$503,888, respectively, and is included in the restricted cash balance on the Statements of Financial Position. The Organization was assessed a fee of \$5,244 related to the unauthorized use of these funds in prior years. The final assessed fee of \$5,207 was paid by the Organization during the year ended June 30, 2017.

Certain cash accounts related to Cornerstone Housing North, Inc. is restricted for certain uses in the Organization under rules and regulations prescribed by the Department of Housing and Urban Development. The total amount restricted at June 30, 2017 and 2016 was \$93,673 and \$81,583, respectively.

### **NOTE 3. INVENTORY**

In 2017 and 2016, inventory included weatherization materials which had been purchased in bulk. These items are valued at the most recent cost. A physical inventory is taken annually. Cost is determined using the first-in, first-out (FIFO) method. Inventory at June 30, 2017 and 2016, consists of weatherization materials totaling \$65,641 and \$88,880, respectively.



**NOTE 4. ACCRUED EARNED TIME**

For the years ending June 30, 2017 and 2016, employees of the Organization were eligible to accrue vacation for a maximum of 160 hours and 200 hours, respectively. At June 30, 2017 and 2016, the Organization had accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$242,545 and \$294,243, respectively.

**NOTE 5. PROPERTY**

Property consists of the following at June 30, 2017:

	<u>Capitalized Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Building	\$10,679,707	\$ 3,428,094	\$ 7,251,613
Equipment	2,400,922	1,889,376	511,546
Land	<u>463,840</u>	<u>-</u>	<u>463,840</u>
	<u>\$13,544,469</u>	<u>\$ 5,317,470</u>	<u>\$ 8,226,999</u>

Property consists of the following at June 30, 2016:

	<u>Capitalized Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Building	\$10,682,236	\$ 3,325,948	\$ 7,356,288
Equipment	2,237,057	1,726,978	510,079
Land	<u>468,767</u>	<u>-</u>	<u>468,767</u>
	<u>\$13,388,060</u>	<u>\$ 5,052,926</u>	<u>\$ 8,335,134</u>

The Organization has use of computers and equipment which are the property of state and federal agencies under grant agreements. The equipment, whose book value is immaterial to the financial statements, is not included in the Organization's property and equipment totals.

Depreciation expense for the years ended June 30, 2017 and 2016 was \$491,254 and \$471,299, respectively.

The Organization also had building refinancing costs of \$17,730 during the year ended June 30, 2014. Amortization expense and accumulated amortization for the year ended June 30, 2017 was \$887 and \$4,139, respectively. Amortization expense and accumulated amortization for the year ended June 30, 2016 was \$887 and \$3,252, respectively.

**NOTE 6. LONG TERM DEBT**

The long term debt of the Organization as of June 30, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Note payable with the USDA requiring 360 monthly installments of \$1,496, including interest at 4.5% per annum. Secured by the general business assets. Final installment due June 2024.	\$ 108,127	\$ 120,899
Note payable with the USDA requiring 360 monthly installments of \$1,664, including interest at 5% per annum. Secured by general business assets. Final installment due January 2027.	150,935	163,026
Note payable with the USDA requiring 360 monthly installments of \$292, including interest at 4.75% per annum. Secured by general business assets. Final installment due April 2030.	29,633	31,688
Note payable with the USDA requiring 360 monthly installments of \$74, including interest at 4.75% per annum. Secured by general business assets. Final installment due June 2029.	8,103	8,593
Note payable with a bank requiring 120 monthly installments of \$3,033, including interest at 6.75% per annum. Secured by first mortgages on two commercial properties. Final installment due April 2021.	368,428	386,831
Note payable with a bank requiring 60 monthly installments of \$459, including interest at 5% per annum. This note was an unsecured line of credit that was converted to a term loan during the year ended June 30, 2016. Final installment due April 2021. See <b>Note 8</b> .	19,144	23,585
Note payable to a non-profit organization (related party), monthly principal payments of \$1,533. Final installment due October 2018. A portion of the note payable was forgiven by the non-profit organization during the year ended June 30, 2017. See <b>Note 16</b> .	24,533	84,563

Note payable to a financing company requiring 72 monthly installments of \$312, including interest at 5.49% per annum. Secured by the Organization's vehicle. Final installment due August 2021.	13,934	16,832
Note payable to a financing company requiring 72 monthly installments of \$313, including interest at 5.54% per annum. Secured by the Organization's vehicle. Final installment due July 2021.	13,715	16,628
Note payable to a financing company requiring 60 monthly installments of \$143, including interest at 5.99% per annum. Secured by the Organization's vehicle. Final installment due November 2020.	5,306	6,666
Note payable to a financing company requiring 72 monthly installments of \$248, including interest at 6.10% per annum. Secured by the Organization's vehicle. Final installment due February 2023.	14,207	-
Note payable with a bank requiring 18 monthly installments of \$4,518, including interest at 4.16% per annum. Secured by second mortgage on commercial property. Final balloon payment due December 2017.	417,421	440,653
Bond payable with a bank requiring monthly installments of \$14,485, including interest of 2.75% plus the bank's internal cost of funds multiplied by 67% with an indicative rate as of March 2017 of 3.28%. Secured by first commercial real estate mortgage on various properties and assignments of rents at various properties. Final installment due August 2040.	2,801,159	2,896,533
Cornerstone Housing North, Inc. capital advance due to the Department of Housing and Urban Development. This capital advance is not subject to interest or principle amortization and will be forgiven after 40 years, or on August 1, 2047.	1,617,600	1,617,600

Cornerstone Housing North, Inc. mortgage payable due to New Hampshire Housing Finance Authority. The mortgage is not subject to interest or principle amortization. Payments are deferred for 40 years, final payment due in August 2047.

	<u>250,000</u>	<u>250,000</u>
	5,842,245	6,064,097
Less current portion due within one year	<u>(587,809)</u>	<u>(197,181)</u>
	<u>\$ 5,254,436</u>	<u>\$ 5,866,916</u>

The scheduled maturities of long term debt as of June 30, 2017 were as follows:

<u>Years ending June 30</u>	<u>Amount</u>
2018	\$ 587,809
2019	151,765
2020	157,927
2021	446,827
2022	133,253
Thereafter	<u>4,364,664</u>
	<u>\$ 5,842,245</u>

As described at **Note 2**, the Organization is required to maintain a reserve account with a bank for the first four notes payable listed above. In May 2013, the Organization began making monthly deposits to the reserve account, but had not yet accumulated the required balance. Failure to meet this requirement may be construed by the Government to constitute default; however, the awarding agency is aware of this issue and has not made a request for advanced payment.

**NOTE 7. CAPITAL LEASE OBLIGATIONS**

During the year ended June 30, 2016, the Company leased a phone system and copier under the terms of capital leases, expiring in November 2020 and March 2021, respectively. During the year ended June 30, 2017, the Company leased an additional copier under the terms of a capital lease, expiring in May 2021. The assets and liabilities under the capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The assets are depreciated over their estimated lives.

The obligations included in capital leases at June 30, 2017 and 2016, consisted of the following:

	<u>2017</u>	<u>2016</u>
Lease payable to a financing company with monthly installments of \$208 for principal and interest at 9.5% per annum. The lease is secured by the phone system and will mature in November 2020.	\$ 7,246	\$ 8,823
Lease payable to a financing company with monthly installments of \$122 for principal and interest at 8.841% per annum. The lease is secured by a copier and will mature in March 2021.	4,570	5,651
Lease payable to a financing company with monthly installments of \$122 for principal and interest at 8.918% per annum. The lease is secured by a copier and will mature in May 2021.	<u>4,911</u>	<u>-</u>
	16,727	14,474
Less current portion	<u>(4,057)</u>	<u>(2,718)</u>
	<u>\$ 12,670</u>	<u>\$ 11,756</u>

The scheduled maturities of capital lease obligations as of June 30, 2017 were as follows:

<u>Years ending June 30</u>	<u>Amount</u>
2018	\$ 4,057
2019	4,445
2020	4,870
2021	<u>3,355</u>
	<u>\$ 16,727</u>

**NOTE 8. DEMAND NOTE PAYABLE**

The Organization has available a \$750,000 line of credit with TD Bank which is secured with real estate mortgages and assignments of leases and rents on various properties as disclosed in the line of credit agreement. Borrowings under the line bear interest at 5.00% per annum, and totaled \$400,000 and \$600,000 at June 30, 2017 and 2016, respectively. The line is subject to renewal each January.

The Organization was issued an unsecured revolving line of credit in 2014 with the New Hampshire Department of Administration Services. On June 30, 2017 and 2016, the outstanding debt totaled \$271,434 and \$263,867, respectively, which included accrued interest of \$14,916 and \$13,867, respectively. During the year ended June 30, 2017 there was an amendment to the original agreement. The Organization is not required to make payments of interest or principal prior to maturity. The unsecured revolving line of credit matures in November 2019.

**NOTE 9. LEASES**

**Operating Leases**

The Organization has entered into numerous lease commitments for space. Leases under non-cancelable lease agreements have various starting dates, lengths, and terms of payment and renewal. Additionally, the Organization has several facilities which are leased on a month to month basis. For the years ended June 30, 2017 and 2016, the annual rent expense for leased facilities was \$161,025 and \$158,499, respectively.

Minimum future rental payments under non-cancelable operating leases having initial terms in excess of one year as of June 30, 2017, are as follows:

<u>Years ending June 30</u>	<u>Amount</u>
2018	\$ 136,428
2019	88,309
2020	43,441
2021	39,611
2022	<u>3,301</u>
	<u>\$ 311,090</u>

**NOTE 10. IN-KIND CONTRIBUTIONS**

The Organization records the value of in-kind contributions according to the accounting policy described in **Note 1**. The Head Start, Transportation and Elder Programs rely heavily on volunteers who donate their services to the Organization. These services are valued based upon the comparative market wage for similar paid positions.

The Organization is also the beneficiary of a donation of in kind in the form of below market rent for some of the facilities utilized by the Head Start and Elder Programs. The value of the in-kind rent is recorded at the difference between the rental payment and the market rate for the property based upon a recent appraisal.

Many other individuals have donated significant amounts of time to the activities of the Organization. The financial statements do not reflect any value for these donated services since there is no reliable basis for making a reasonable determination.

**NOTE 11. CONCENTRATION OF RISK**

Tri-County Community Action Program, Inc. receives a majority of its support from federal and state governments. For the years ended June 30, 2017 and 2016, approximately \$12,220,000 (72%) and \$12,200,000 (72%), respectively, of the Organization's total revenue was received from federal and state governments. If a significant reduction in the level of support were to occur, it would have a significant effect on the Organization's programs and activities.

Cornerstone Housing North, Inc. receives a large majority of its support from the U.S. Department of Housing and Urban Development. For the years ended June 30, 2017 and 2016 approximately 69% and 66%, respectively, of the Organizations total revenue was derived from the U.S. Department of Housing and Urban Development. In the absence of additional revenue sources, the future existence of Cornerstone Housing North, Inc. is dependent upon the funding policies of the U.S. Department of Housing and Urban Development.

The majority of Cornerstone Housing North, Inc.'s assets are apartment projects, for which operations are concentrated in the elderly person's real estate market. In addition, the Organization operates in a regulated environment. The operation of the Organization is subject to administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the administrative burden, to comply with the change.

**NOTE 12. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following specific program services as of June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Temporary Municipal Funding	\$ 205,804	\$ 229,419
10 Bricks Shelter Funds	141,190	135,257
Restricted Buildings	94,239	99,313
FAP	87,991	-
Homeless Programs	36,856	43,277
NH Charitable Foundation Grant, Mt. Jasper	32,653	32,653
Loans - HSGP	24,261	-
AOD - IDN Capacity Fund	15,066	-
Service Link	12,123	19,135
FAP/EAP	11,735	12,167
Loans - HHARLF	10,884	-
USDA	7,252	-
L. CHIP -- Brown Co. House	8,236	22,314
Donations to Mahoosuc Trail	6,842	6,842
RSVP Program Funds	3,675	13,637
Donations to Maple Fund	1,246	1,825
Julien Fund (AOD)	1,175	775
Head Start	973	875
Angelias Fund (AOD)	235	235
EAP	164	68,143
Loan Programs	-	37,427
Carroll County Transit Program	-	682
Coos County Transit Program	-	586
Senior Meals	-	53,381
	<u>                    </u>	<u>                    </u>
Total temporarily restricted net assets	<u>\$ 702,600</u>	<u>\$ 777,943</u>

**NOTE 13. COMMITMENTS AND CONTINGENCIES**

**Grant Compliance**

The Organization received funds under several federal and state grants. Under the terms of the grants the Organization is required to comply with various stipulations including use and time restrictions. If the Organization was found to be noncompliant with the provisions of the grant agreements, the Organization could be liable to the grantor or face discontinuation of funding.



**Environmental Contingencies**

On March 30, 2009, the Organization's Board of Directors agreed to secure ownership of a 1.2-acre site located in Berlin, New Hampshire. There are 2 buildings on this site designated as the East Wing and West Wing Buildings which were formerly used as a research and development facility for the Berlin Mills Company.

The exterior soil and interior parts of the East Wing Building contained contaminants which required environmental remediation. In a letter dated May 2, 2012, the State of New Hampshire Department of Environment Services (the Department) noted that the remedial actions for the exterior soils and parts of the East Wing Building had been completed to the Department's satisfaction.

In addition, the Department noted that the contaminants related to the West Wing Building did not pose an exposure hazard to site occupants, area residents, and the environment provided the West Wing Building is maintained to prevent further structural deterioration. If further deterioration occurs and contaminants are released into the environment, the Organization could be required to take additional action including containment and remediation.

**NOTE 14. RELATED PARTY TRANSACTIONS**

As disclosed in **Note 6**, the Organization has a loan payable to a non-profit organization which also provides pass-through state and federal funding for some of the Organization's programs. See **Note 6** and **Note 16** for terms of the note payables and related forgiveness of debt. Total notes payable to related parties for the years ended June 30, 2017 and 2016 was \$24,533 and \$84,563, respectively.

**NOTE 15. RESIDUAL RECEIPTS ACCOUNT**

Cornerstone Housing North, Inc.'s use of the residual receipts account is contingent upon HUD's prior written approval. During the year ended June 30, 2016, Cornerstone Housing North, Inc. was required to return to HUD the balance in the residual receipts account in excess of \$250 per unit. This resulted in a refund to HUD of \$1,184. This was recorded as a miscellaneous financial expense on the Statements of Activities during the year ended June 30, 2016.

**NOTE 16. FORGIVENESS OF DEBT**

During the year ended June 30, 2017, the Organization realized forgiveness of debt income in connection with a note payable to a non-profit organization. Forgiveness of debt income totaled \$25,912 for the year ended June 30, 2017.

**NOTE 17. 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. Non-recognized 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 November 10, 2017, the date the financial statements were available to be issued.

Effective October 1, 2017, the Organization is no longer responsible for the Alcohol & Other Drugs (AOD) program. The grants for the program have been transferred to North Country Health Consortium (NCHC), as they are taking over the program. Temporarily restricted net assets related to AOD as of June 30, 2017 will be either released for fiscal year 2018 operations or returned subsequent to the transfer of the program. Subsequent to year end, the Friendship House was sold to Affordable Housing Education and Development (AHEAD).

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NAME	GRANTOR'S IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<b>U.S. Department of Health and Human Services</b>				
Head Start	93.600		01CH10000-02-00	\$ 1,265,383
Head Start	93.600		01CH10000-03-00	906,610
			TOTAL	<u>2,171,993</u>
Low-Income Home Energy Assistance	93.568	State of New Hampshire Office of Energy and Planning	G-16B1NH-LIEA	166,774
Low-Income Home Energy Assistance	93.568	State of New Hampshire Office of Energy and Planning	G-16B1NH-LIEA	4,200,295
Low-Income Home Energy Assistance-HRRP	93.568	State of New Hampshire Office of Energy and Planning	G-16B1NH-LIEA	296,525
Low-Income Home Energy Assistance	93.568	State of New Hampshire Office of Energy and Planning	G-17B1NH-LIEA	259,130
			TOTAL	<u>4,922,724</u>
<b>AGING CLUSTER</b>				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (SEAS)	93.044	State of New Hampshire Office of Energy and Planning	15AANHT3SP	8,046
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (SEAS)	93.044	State of New Hampshire Office of Energy and Planning	17AANHT3SP	1,622
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (Sr Wheels)	93.044	State of New Hampshire Department of Health and Human Services	512-500352	61,392
			TOTAL	<u>91,060</u>
Special Programs for the Aging - Title III, Part C - Nutrition Services (Congregate & HD Meals)	93.045	State of New Hampshire Department of Health and Human Services	541-500383	246,431
Nutrition Services Incentive Program (NSIP)	93.053	State of New Hampshire Department of Health and Human Services	NONE	99,251
			CLUSTER TOTAL	<u>436,742</u>
Community Services Block Grant	93.569	State of New Hampshire Department of Health and Human Services	102-500731	670,856
<b>TANF CLUSTER</b>				
Temporary Assistance for Needy Families (NHEP Workplace Success)	93.558	Southern New Hampshire Services, Inc.	13-DHHS-BWW-CSP-05	256,924
Temporary Assistance for Needy Families (JARC)	93.558	State of New Hampshire Department of Health and Human Services	102-500731	24,855
			CLUSTER TOTAL	<u>281,779</u>
Preventative Health & Human Services Block Grant - Oral Health	93.758	State of New Hampshire Department of Health and Human Services	90072003	11,286
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services (Sr Oral Health)	93.043	State of New Hampshire Department of Health and Human Services	102-500731	513
National Family Caregiver Support, Title III, Part E (Family Caregiver)	93.052	State of New Hampshire Department of Health and Human Services	570-500928	19,228
<b>MEDICAID CLUSTER</b>				
Medical Assistance Program (Options Counseling and I&R #7)	93.778	State of New Hampshire Department of Health and Human Services	550-500398	34,863
Social Services Block Grant (Title XX I&R)	93.667	State of New Hampshire Department of Health and Human Services	545-500387	9,348
Social Services Block Grant	93.667	State of New Hampshire Department of Health and Human Services	544-500386	70,750
Social Services Block Grant (Title XX HD miles)	93.667	State of New Hampshire Department of Health and Human Services	541-500353	2,260
			TOTAL	<u>82,358</u>
Affordable Care Act - Aging and Disability Resource Center (Options Counseling)	93.517	State of New Hampshire Department of Health and Human Services	550-500398	2,197
State Health Insurance Assistance Program	93.324	State of New Hampshire Department of Health and Human Services	102-500731	3,373
Special Programs for the Aging - Title IV and Title II - Discretionary Projects (SMPP)	93.048	State of New Hampshire Department of Health and Human Services	102-500731	10,217
Medicare Enrollment Assistance Program (MIPPA)	93.071	State of New Hampshire Department of Health and Human Services	102-500731	6,478
Preventative HHS Block Grant & Injury Prevention and Control Research	93.136 & 93.758	State of New Hampshire Coalition against Domestic and Sexual Violence	NONE	5,089
Block Grants for Prevention and Treatment of Substance Abuse	93.959	State of New Hampshire Division of Public Health Services	05-95-49-491510	259,231
Projects for Assistance in Transition from Homelessness (PATH)	93.150	State of New Hampshire Bureau of Homelessness and Housing	500731-102	79,832
<b>Total U.S. Department of Health and Human Services</b>				<u>\$ 8,998,759</u>

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NAME	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
<b>U.S. Department of Energy</b>				
Weatherization Assistance for Low-Income Persons	81.042	State of New Hampshire Governor's Office of Energy & Community Service	EE0006169	\$ 270,252
Total U.S. Department of Energy				\$ 270,252
<b>U.S. Corporation for National and Community Service</b>				
Retired and Senior Volunteer Program	94.002		16SRANH001	\$ 83,047
Total U.S. Corporation for National and Community Service				\$ 83,047
<b>U.S. Department of Agriculture</b>				
<b>SNAP CLUSTER</b>				
Supplemental Nutrition Assistance Program (food stamps)	10.551		NONE	\$ 2,428
<b>FOOD DISTRIBUTION CLUSTER</b>				
Emergency Food Assistance Program (Administration Costs)	10.568	BMCAP	61750000	4,600
Child and Adult Care Food Program	10.558	State of New Hampshire Department of Education	NONE	128,905
Total U.S. Department of Agriculture				\$ 135,933
<b>U.S. Department of Homeland Security</b>				
Emergency Management Performance Grants (FEMA)	97.042			\$ 18,205
Total U.S. Department of Homeland Security				\$ 18,205
<b>U.S. Department of Justice</b>				
Grants to Encourage Arrest Program (GTEAP)	16.590	State of New Hampshire Coalition against Domestic and Sexual Violence	2014-WE-AX-0036	\$ 4,356
Crime Victim Assistance (VOCA)	16.575	State of New Hampshire Coalition against Domestic and Sexual Violence	NONE	106,708
Sexual Assault Services Formula Program (SASP)	16.017	State of New Hampshire Coalition against Domestic and Sexual Violence	2016-KF-AX-0019	14,214
Total U.S. Department of Justice				\$ 125,278
<b>U.S. Department of Transportation</b>				
Formula Grants for Rural Areas (Section 5311)	20.509	State of New Hampshire Department of Transportation	NH-18-X046	\$ 322,910
<b>TRANSIT SERVICES PROGRAMS CLUSTER</b>				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	State of New Hampshire Department of Transportation	NH-65-X004	55,362
Enhanced Mobility of Seniors and Individuals with Disabilities (5310 POS, NCC)	20.513	State of New Hampshire Department of Transportation	NH-16-X043	16,841
			CLUSTER TOTAL	72,203
Total U.S. Department of Transportation				\$ 395,113
<b>U.S. Department of Housing and Urban Development</b>				
Emergency Solutions Grant Program	14.231	State of New Hampshire Department of Health and Human Services	102-500731	\$ 31,317
Continuum of Care Program (HOIP)	14.267	State of New Hampshire Department of Health and Human Services	NH0096L1T001500	130,822
Community Development Block Grant States Program & Non-Entitlement Grants In Hawaii	14.228	Grafton County (NH Community Development Finance Authority)	15-405-CDPF	25,000
Total U.S. Department of Housing and Urban Development				\$ 187,139

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NAME	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
U.S. Department of Labor				
WIA/WIOA CLUSTER				
WIA/WIOA Adult Program	17.258	Southern New Hampshire Services, Inc.	2015-0004	\$ 88,005
WIA/WIOA Dislocated Worker Formula Grants	17.278	Southern New Hampshire Services, Inc.	2015-0004	<u>50,187</u>
Total U.S. Department of Labor.			CLUSTER TOTAL	<u>\$ 138,192</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<u>\$ 10,349,918</u>

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal grant activity of Tri-County Community Action Program, Inc. under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Tri-County Community Action Program, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE B - 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE C - INDIRECT RATE**

Tri-County Community Action Program Inc. has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Tri-County Community Action Program, Inc.  
Berlin, 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 financial statements of Tri-County Community Action Program, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 10, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Tri-County Community Action Program 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 Tri-County Community Action Program Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Tri-County Community Action Program Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tri-County Community Action Program Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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*

November 10, 2017  
North Conway, New Hampshire

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Tri-County Community Action Program, Inc.  
Berlin, New Hampshire

**Report on Compliance for Each Major Federal Program**

We have audited Tri-County Community Action Program Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tri-County Community Action Program Inc.'s major federal programs for the year ended June 30, 2017. Tri-County Community Action Program 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 Tri-County Community Action Program 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tri-County Community Action Program 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 of Tri-County Community Action Program Inc.'s compliance.



### **Opinion on Each Major Federal Program**

In our opinion, Tri-County Community Action Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

### **Report on Internal Control over Compliance**

Management of Tri-County Community Action Program, 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 Tri-County Community Action Program 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tri-County Community Action Program, 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Leone, McDonnell & Roberts  
Professional Association*

November 10, 2017  
North Conway, New Hampshire

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

1. The auditors' report expresses an unmodified opinion on the financial statements of Tri-County Community Action Program, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Tri-County Community Action Program, 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 during the audit are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance*.
5. The auditors' report on compliance for the major federal award programs for Tri-County Community Action Program, Inc. expresses an unmodified opinion on all major programs.
6. No audit findings that are required to be reported in accordance with 2 CFR 200.516(a) are reported in this Schedule.
7. The programs tested as major programs included:
  - U.S. Dept. of Health & Human Services, LIHEAP – CFDA #93.568
  - U.S. Dept. of Health & Human Services, Aging Cluster – CFDA #93.044, 93.045 and 93.053
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Tri-County Community Action Program, Inc. was determined to be a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None



# COMMUNITY ACTION

## TRI-COUNTY CAP

30 Exchange Street, Berlin, New Hampshire 03570

p: 603 752-7001 f: 603 752 7607

www.tccap.org

CEO: Robert G. Boschen, Jr.

COO: Jeanne L. Robillard

FD/Interim CFO: Randall S. Pilotte

### BOARD OF DIRECTORS FY2017

#### COÖS COUNTY

Board Chair  
Sandy Alonzo

Secretary  
Gary Coulombe

Treasurer  
Cathy Conway

#### CARROLL COUNTY

Anne Barber

Michael Dewar

Vice Chair  
Dino Scala

Karolina Brzozowska

#### GRAFTON COUNTY

Linda Massimilla

Tricia Garrison

Richard McLeod

Serving Coös, Carroll & Grafton Counties



# DAWN FERRINGO

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## Experience

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### **Prevention Services Division Director, Tri-County CAP, Berlin, NH July 2016 to present**

- Write, manage, and administer federal, state, and local grants and grant deliverables
- Provide supervision of all programs directors under Division
- Oversee and administer all fiscal and administrative matters related to programs, including budget preparation, tracking, and management, grants preparation and management, reports to funders and audit requirements
- Maintain program documentation and ensure compliance with funding standards (including audits, reports and compliance checks) and objectives as required by funders
- Prepare monthly financial reports and Division reports for CEO/COO and TCCAP Board
- Ensure program integrity, viability, and compliance with all funding standards
- Ensure program has adequate resources to sustain operations and programs
- Represent program at community, business, and civic functions
- Develop and maintain positive collaborative relationships with area health and human service providers, and other civic and business organizations
- Represent Division programs in federal, state and local initiatives
- Organize, plan, and prepare agency development and fundraising projects

### **Shelter Manager, Tyler Blain House, Tri-County CAP, Lancaster, NH March 2016 to June 2016.**

- Responsible for the general welfare and safety of all Shelter Residents.
- Direct intake and exit procedures.
- Maintain appropriate client records.
- Oversee the enforcement of house rules and standards of conduct.
- Coordinate and assist with the provision of case management services for residents.
- Supervise other House staff: hire, train, schedule and evaluate; oversee the submission of payroll forms.
- Oversee the maintenance of the Shelter building and grounds with TCCAP Facilities; keep the interior orderly, clean and safe, the exterior sound and presentable, house vehicle, appliances and office equipment in good working order.
- Maintain cash receipts for shelter guests rent, submit rent revenue to Accounts Receivable, and review and submit bills for payment.
- Be responsible for the receipt, storage and disbursement of donated goods.
- Keep necessary records; prepare and submit reports on Shelter activities as required by funders.
- Enter statistical data into State HMIS system; act as one of the coordinated entry points for the Northern Region per State of NH BHHS, attend HMIS trainings as needed.
- Operate under strict client confidentiality and code of conduct requirements.
- Abide by the Homeless Programs Ethics Policy.
- Public Relations Representative for the Tyler Blain House and related TCCAP programs to include statewide Shelter Meetings, other meetings and opportunities for community outreach as necessary..
- Assist Homeless Programs Manager and Prevention Division Director with fund raising and grant writing.
- Communicate regularly with Homeless Programs Manager and Prevention Division Director; inform them of important issues promptly.

**Director of Welfare, Town of Bethlehem, Bethlehem, NH July 2009 to March 2016.**

- Developed municipal welfare policy and maintained policy integrity, viability and compliance with NH RSA 165, Aid to Assisted Persons.
- Oversaw and administered all fiscal and administrative matters related to municipal welfare including budget preparation, tracking and management.
- Effectively reduced over all municipal welfare budgets by 60% over the course of three years through program evaluation and established new policy and program facilitation practices.
- Provided case management for clients who qualify for general assistance, which often includes resource and referrals networking and client advocacy.
- Employed a method of self-care with clients including self assessment, goal setting, strategies and desired outcomes in the Seven Areas of Wellness.
- Monitored legislation and new programs and makes recommendations regarding the administration of the welfare function to the Board of Selectmen;
- Made frequent collateral contact requiring considerable skill and tact in eliciting confidential and pertinent information in order to determine eligibility for assistance.
- Maintained meticulous case files, case notes, and other related records.
- Established and maintains effective relationships with state and local social services organizations.
- Maintained strict confidentiality practices.

**Development and Special Events Manager, Adaptive Sports Partners of the North Country, Franconia, NH October 2013 – May 2014.**

- Annual Fundraising and Resource Development: Worked with the Executive Director and Development Committee to create, oversee and manage annual fundraising plan for the organization. Helped to establish new mission statement, strategic plan and case statement for the organization.
- Event Management: Managed key fundraising events throughout the year including; Wobble 'n Gobble Thanksgiving Day 5K, Pirates of the High Skis, Sunrise Ascent on Mount Washington, Any Which Way You Can Triathlon Challenge, and multiple smaller events.
- Outreach and Communication: Promoted Adaptive Sports Partners of the North Country's mission and business operation in the community and beyond.

**Workplace Success Facilitator/Community Job Specialist, Tri-County CAP, Littleton, NH September 2007 – January 2011.**

- Conducted daily work simulated sessions through "Service Bureau" projects and Workplace Success curriculum to participants enrolled with the NH Employment Program (NHEP).
- Followed each participant's NHEP Employability Plan in an effort to resolve employment barriers.
- Coordinated Community Work Experience Program (CWEP) in Grafton, Coos, and Carroll Counties for participants who completed Workplace Success.
- Developed and maintained relationships with the volunteer sites and acted as a liaison for these sites, the client, and the NHEP Employment Counselor Specialist.
- Prepared Work Experience Program agreements with volunteer sites and clients, maintained weekly attendance reports for NH Employment Counselors, as well as client evaluations.
- Developed new volunteer sites through community relations and business networking through outreach by means of marketing and presentation. Maintained monthly and weekly reports for the State of NH's Department of Family Assistance.

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## **Education**

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**MA in Human Services**, Springfield College School of Professional and Continuing Studies, Boston, MA  
December 2016

**BA in Liberal Arts**, Vermont College at Norwich University, January 2003

**AS in Accounting and Business Management**, NH Technical College, Berlin, NH May 1993

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## **Professional and Community Affiliations**

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**NH Local Welfare Administrators Association**, 2009 – 2016

**The Bethlehem Heritage Society**, member February 2015 to present

**The Support Center at the Burch House: Advisory Council Member** June 2014 to 2016.

**Bethlehem Elementary School Board: Member** March 2014 to present and March 2008 to March 2011

**Franconia Children's Center Board of Directors**, September, 1999 to June 2002

References Available Upon Request

# Carolyn Towne

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## SUMMARY OF QUALIFICATIONS

A dynamic and passionate self-starter with diversified experience and strong interest in non-profit and social service organizations, working with underserved populations, and crisis intervention services.

## PROFESSIONAL EXPERIENCE

### Families in Transition Housing Advocate

2016-Present

- Provide individual case management services for participants in supportive housing and shelter.
- Support participants in creating an action plan and achieving individual goals related to obtaining and/or maintaining stable housing, improving financial management skills, obtaining/maintaining mainstream benefits, improving physical and/or mental health, obtaining gainful employment and/or increasing education, improving parenting skills, engaging in activities of daily living and recovery supports.
- Connect participants to community resources and benefits while communicating with collateral contacts as needed to coordinate appropriate level of care, support with navigating systems, and facilitate stable housing.
- Coordinate and facilitate workshops related to programming such as program orientation, apartment maintenance, self-care, employment, financial management, and program graduation.
- Maintain caseload files and document services in a timely manner.

### The Support Center at Burch House Education and Outreach Coordinator

2015-2016

- Provided violence prevention education and outreach presentations to schools, community groups, social service agencies, police departments, and medical personnel, including the creation and distribution of relevant educational brochures.
- Provided direct services to victims and survivors of domestic violence, sexual violence and stalking and their families to include court accompaniment, crisis intervention via hotline, and accompaniment to child advocacy center.
- Outreached the community, in-person and via social networking, to increase awareness of the impact of domestic and sexual violence on victims, their families, and the community and to inform of services offered by the agency and ways to access these services.
- Created and managed online donation opportunities.

### Families in Transition Housing Program Manager (2013 - 2015)

2010-2015

- Supervised a team of 5 Housing Advocates and managed the agency's housing program, consisting of 17 buildings and 200+ units of housing for 180 clients.
- Provided oversight and managed the supportive services provided to the housing program participants including: Workshops, individual case management, special events, and back-up for the 24hr crisis line.
- Collaborated with other community providers in order to ensure the success of housing participants.
- Collaborated with colleagues to develop, implement, and evolve programming.
- Provided oversight of housing program's strategic plan to ensure that programming and services were focused on goals, following strategies outlined, and meeting outcome expectations.
- Presented program outcomes to senior management team on a quarterly basis.
- Collaborated with the Chief Operating Officer to create, update, and implement housing program policies.
- Attended bi-weekly LADC/Clinical supervision and attended continuing education trainings to ensure best services possible provided to participants.

### **Housing Advocate (2010- 2015)**

- Provided individual case management services for participants.
- Supported participants in creating an action plan and achieving individual goals related to obtaining and/or maintaining stable housing, improving financial management skills, obtaining/maintaining mainstream benefits, improving physical and/or mental health, obtaining gainful employment and/or increasing education, improving parenting skills, engaging in activities of daily living and recovery supports.
- Connected participants to community resources and communicated with collateral contacts as needed to coordinate appropriate level of care and facilitate stable housing.
- Coordinated and facilitated workshops related to programming such as program orientation, apartment maintenance, self-care, employment, financial management, and program graduation.
- Maintained caseload files and document services in a timely manner.

YWCA Supervised Visitation and Child Exchange Center, Manchester, NH 2007-2014

#### **Visit Supervisor**

- Facilitated a safe and neutral environment for court ordered supervised visits and exchanges between a child(ren) and their nonresidential parent.
- Responsible for supervising contact between child(ren) and non-residential parent during the visit.
- Ensured strict adherence to the center's policies and procedures by providing clear direction and redirection as needed during the visit.
- Documented objective observations before, during, and after visits.

Child and Family Services, Laconia, NH 2009-2010

#### **Parent Aide**

- Supervised visits between child(ren) in placement and their parent(s). Modeled appropriate parenting techniques and provided coaching regarding life skills.
- Supported parent(s) with identifying and accessing appropriate community resources.
- Completed treatment plans, assessments, and documentation of visit notes in a timely manner.

Fellowship Housing Opportunities, Concord, NH 2007-2009

#### **Community Integration Coordinator**

- Provided direct care and support with symptom management and activities of daily living in a residential setting for people suffering with severe and persistent mental illness.
- Coordinated and provided therapeutic behavioral services and medication support services to clients suffering with severe and persistent mental illness to clients within the residence and in the community.
- Resolved medication issues via communication with client, outreach staff, pharmacy personnel and client's treatment team as needed.

### **EDUCATION and SKILLS**

**BA in Psychology**, Summa Cum Laude, University of New Hampshire at Manchester, Manchester NH

Certified trainer in Connect Suicide Prevention and Postvention Curriculum

Certified CALM (Counsel on Access to Lethal Means) trainer

Proficient in Microsoft Office Suite

### **ADDITIONAL CONTINUING EDUCATION QUALIFICATIONS**

- Motivational Interviewing: Advancing the Practice
- Dialectical Behavioral Therapy for Case Managers
- Brazelton Touchpoints
- Trauma-Informed Care
- Cognitive Behavioral Therapy for Case Managers
- Relational Cultural Theory
- Evidence-Based and Strength-Centered Case Management
- SOAR



# Silver Mills

## WORK EXPERIENCE

### **Community Support Specialist**

Northeast Kingdom Human Services - Saint Johnsbury, VT -

2017-05 - Present

Support and assist individuals with intellectual, physical, and developmental disabilities within community settings. Provide guidance to individuals to maintain good quality of life as defined within the individual support agreement. Assisting individuals with communication relating to the community and others.

### **Server**

Stony Brook Tavern - Stockbridge, VT -

2016-11 - 2017-02

Cleaned and prepared dining areas before start of service hours. Checked over condiment trays before service hours to ensure each was prepared for the shift. Seated and took customers' orders. Ensured meals, drinks, and dining experience was satisfactory to each customer.

### **Service Writer Lucky's Trailer Sales**

Royalton, VT -

2016-08 - 2016-11

Composed various service repair orders for technicians. Ordered and collected parts for service repair orders. Emailed and called both customers and dealers pertaining to service repair orders. Ensured customer satisfaction from start to end of service repair order.

### **Direct Support Professional (DSP)**

WWA ARC - Granville, NY -

2016-02 - 2016-06

Granville, NY

Aided residents with assisted daily living tasks such as bathing, eating, clothing, etc. Prepared various tasks for residents to complete each day to follow their support plans. Read and filled out resident daily reporting sheets to ensure proper Medicaid billing.

### **Licensed Nursing Assistant**

Gifford Medical Center - Randolph, VT -

**2015-05 - 2016-02**

Assisted elders with assisted daily living tasks such as bathing, clothing, eating, etc. Practiced various necessary medical treatments with each elder to ensure a healthy lifestyle. Attended daily meetings to be informed on various changes within elders' day.

**Skills & Acknowledgements**

- CPR & AED Certified
- First Aid Certified
- Great Communication Skills
- Good Time Management Skills
- Ability to Work Under Pressure
- Adaptability
- Ability to Type 55 WPM
- Self-Motivator

**EDUCATION**

**Diploma**

Whitcomb High School - Bethel, VT

2015-08

# Rebecca Hewson

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## Certifications

New Hampshire Board Certified Guardian ad Litem, 2007 and 2011

New Hampshire Board Certified Family Mediator, 2012

## Education

Bachelor of Arts, Psychology, 1998

Colby-Sawyer College

Master of Science, Psychology - Industrial Organizational, 2016 (expected)

Southern New Hampshire University

## Experience

Children's Case Manager

Northern Human Services (2014-2016)

- Liaison for children and families in mental health, medical, educational, and court settings

Substitute Teacher (2012-2014)

- Substitute teacher and paraprofessional in grades k-6
- Follow lesson plans provided and creatively improvise as needed
- Assist staff as needed

New Hampshire Board Certified Family Mediator (2012- 2014)

- Facilitate conflict resolution in a creative, expeditious, and positive manner
- Facilitate agreements between parties in matters of divorce, separation, child support, parenting plans, and workplace matters
- Draft Parenting Plans, Uniform Support Orders, and Divorce Decrees
- Excellent written and oral communication skills

New Hampshire Board Certified Guardian ad Litem (2007- 2013)

- Advocated for children in cases of abuse, neglect, divorce, separation, and post- divorce parenting issues

- Conducted investigations, prepared and drafted reports comprised of information acquired from various professional sources
- Established and maintained meaningful working relationships
- Collaborated with diverse professionals
- Maintained meticulous records

Title I Assistant (January 2013 - June 2013)

Pine Tree Elementary School, Center Conway, New Hampshire

- Developed daily lesson plans for grades k-6
- Worked with students in need of remedial support in literacy and math
- Experience with Wilson Reading Program and Fountas & Pinnell

Preschool Teacher (2004-2007)

The Conway Village Day School, Conway, New Hampshire

- Developed lesson plans
- Worked within the parameters of the budget determined by the Board of Directors, Lead Teacher, enrollment numbers, and state laws
- Collaborated with specialists for children with needs in areas of speech, occupational therapy, and behavior therapy
- Collaborated with social services regarding the welfare of several children
- Organized and participated in a variety of community fundraisers and encouraged staff, family, and student involvement

Manager, Marketing, Buyer, Bookkeeper (1997-2000)

The Wild Carrot Boutique, North Conway, New Hampshire

- Served as Manager of an independent boutique
- Responsible for hiring staff, determining schedules, and placing orders
- Attended trade shows

Interests

Downhill skiing, cross country skiing, snowshoeing, trail running, hiking, yoga, pilates, photography, painting, reading, gardening, and cooking.

References

References are forthcoming.

# **Lisa Snowman**

- Experience**      **TRI COUNTY COMMUNITY ACTION PROGRAM      JANUARY 2018-PRESENT**  
**HOMELESS OUTREACH INTERVENTION SPECIALIST**  
Primary responsibilities include assisting homeless population with transportation to shelter and referral resources, assist at risk homeless population with rapid re-housing and homelessness prevention applications and financial assistance. Also have frequent communication with shelters, landlords, property managers, Town Welfare officers, Catholic Charities, Salvation Army and other agencies geared to provide support for those in need. Daily use of Microsoft word programs (office, excel) for data entry, as well as use of the internet to research and access resource information and data entry on internet based data base, Homeless Management Information Systems (HMIS).
- NORTHERN HUMAN SERVICES      JUNE 2017-JANUARY 2018**  
**COMMUNITY INTEGRATOR**  
Primary responsibilities include providing direct support to adults and high school students who have a developmental disability, to live meaningful lives within our community. Also support individuals in work and volunteer settings and help develop social connections within the community.
- F.B. SPAULDING COMPANY      MAY 2011 – MAY 2017**  
Primary responsibilities include coordinating annual open houses, set up and design for offsite events, promoted and marketed events. In addition helped design and maintain company website, uploaded inventory, created monthly newsletters, created and maintained company Facebook page.  
Accomplishments include:  
    Received recognition from the Coos County Sheriff's Department for outstanding service for their annual raffle.  
    Receive annual certificate for outstanding support from the Waumbek Snowmobile Club and the Connecticut Valley Sno-Riders Club  
Reason for leaving: New ownership and restructuring of company
- SALMON PRESS NEWSPAPERS      JULY 2002 – MAY 2011**  
Primary responsibilities include sales for three newspapers in this 11-newspaper chain. Accomplishments include:  
    ☐ Sold \$500K in ads in 2007 – 26% above goal and a 31% increase over the previous year  
    ☐ Took on additional newspaper sales in Berlin, reactivating several dormant accounts  
    ☐ Effectively manages time and relationships to gain new clients while serving the needs of existing clients  
    ☐ Attend local business networking events  
    ☐ Reason for leaving: Went to work for family business
- Education**      A.S. Computer Technology  
                    White Mountain Community College

# Kathrine Ohaus

## Work Experience

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### **Shelter Staff**

Upper Valley Haven - White River Junction, VT  
Present

I work currently Per-diem for the Upper Valley Haven. I work as Per-diem shelter staff. This position enables me to work four nights a week during the winter at the seasonal shelter. The seasonal shelter is for people coming directly off the street, and need rest food and respect for the night. I am there at 5:30 when the doors open and leave approximately 1130 when everything is settled then night staff comes on. I also work wherever there is a need, so I am very familiar with the transitional housing units, and adjust to the different needs of guests depending on their situation. I like being close to the people I work with – I would prefer to be running around opposed to sitting at a desk. Interaction and the ability to find common ground is necessary and one of my strengths. With a partial degree in writing documentation is something that I do well and will modify for any parameters any organization needs or has. I have a very flexible schedule (nights weekends and holidays are all available on my time) and the Per-diem situation has worked well currently and presently. I have decided to stay in the area and am looking for something more consistent either full or part time to replace or supplement my current position. People who have been in the system, people who don't believe you'll do what you say, people who don't trust doctors and others to care for them, people who expect the worst because it's the most common – these people in combination with potential mental illness, abuse, trauma – create population that is in great need. In my opinion sincerity, honesty, empathy and not pity – these are key contributors to the success of both relationships formed with clients, and with their ability to gain and maintain success. Objectively I do not think blanket treatment of individuals is helpful – I find that every person needs a plan, and every person needs an advocate to some degree. This is what I enjoy doing - very much

### **General Manger**

Layla's Riverside Lodge - Dover, VT  
December 2015 to February 2016

My job description was somewhat different from that often associated with a general manager position. There was really no finite job description in this employment. I needed to do what needed to get done with self-motivation and fast learning. The owner and I were responsible for all facets of the inn's operation. My work day often started 4:30-5:00 AM with serving and preparing breakfast for the guests, who deserved a warm fire and meal before an expensive ski vacation day. The scheduling for room maintenance, laundry, receipts, hiring, reservations, wholesale shopping trips into the city, managing dinner service, maintaining the kennel (which included 8 private pens, an indoor romper room and outdoor running yard), private functions and wedding were all included in my job. If needed during a hot water crisis it entailed getting diesel fuel in knee high boots at 1:00 AM. As said there was no description, other than to prevent extra work, implement efficiency, and get it all done in a full day that sometimes ended well after midnight. The diversity of guests and the fast pace in combination with public relations made this an intense and often exuberant experience. The interaction with people during their stay was the most enjoyable part of the job. My job was greatly enriched by my interaction with the winter's customers.

### **Assistant Front Desk Supervisor**

The Lyme Inn - Lyme, NH  
2013 to 2015

When working as the front desk coordinator and hostess to the Lyme Inn, I was the first and last person - sometimes the only person with whom guests interacted. I was responsible for creating reservations accurately and thus pricing and policies for that reservation. The inn often was required to meet the needs of Dartmouth College and its alumni. Being responsible for the financial needs of the inn had to be balanced with the needs of the guests. Due to the small-town

nature of the inn, I also played a part in hostessing and serving in the tavern and helping with private functions such as weddings and rehearsal dinners. I kept detailed receipts and records in a manner necessary to meet the documentation needs of the Lyme Inn. I created spread sheets for inventories for kitchen and house keeping. I feel I helped create the atmosphere of the entire facility and there few things that I did not get my hands dirty with. Stagnation while working for The Lyme Inn was thankfully never an issue.

### **Sales Associate**

Danforth Pewter - Quechee, VT  
2009 to 2013

I was very dedicated and committed during my time with Danforth and was often the only sales representative running the store. The company had little or no room to move forward in the ranks of its small shop in Quechee VT. The manager was gone to California on average 3-6 weeks a year and often consecutive weeks. During this time I continued my daily responsibility as a sales representative and also handled the manger's duties. This included placing orders and keeping inventory. All the while continuing sales profitability and staus. This job was about my relationship with customers and my interaction with people during the years I worked at Danforth Pewter.

### **Mental Health Specialist**

McLean Hospital - Belmont, MA  
2003 to June 2007

I worked to create a peaceful and therapeutic environment for inpatient clients. I assisted in the very lengthy admission of new patients. This included introduction to the hospital, physical searches, assessment of affect and possible intoxication. I was in direct coordination with the head nurse, assisted in medication needs and any other needs the nurse on shift needed. Though I was not consistently a daytime employee, leading groups was not something I did often, though I was trained to do so as needed or if needed. Certification for life-saving techniques, de-escalation, risk assessment and management were mandatory yearly. Though I am not current now with CPR and intervention techniques. It was necessary at Mclean to also be up-to-date on restraint techniques, and have the ability to safely use the proper equipment to re-strain and sedate a patient. I also helped prepare patients for ETC (depression management) - this would often involve stress management with patient, or help with their difficulty with memory loss after the treatment. Re-acclimating and making them feel safe was very important. I helped to create a calm and restful night environment in the ward.

### **Sales Associate**

Starbucks - Belmont, MA  
2002 to June 2003

I worked as a barista at an espresso bar in a high volume store. I assisted as a shift supervisor when needed.

### **Preschool Teacher**

Hunger Mountain Children's Center - Waterbury, VT  
1999 to 2000

I worked with children ages three through seven as a full-day preschool teacher and after-school child care provider. I was responsible for developing curriculum and activities that involved and stimulated children with a wide age range of developmental levels. My style of classroom management encouraged socialization skills and including child directed conflict resolution.

### **Substitute Teacher**

The Learning Together Center - Montpelier, VT  
1999 to 2000

I worked between twenty and forty hours per week as a substitute teacher starting in August 1999. I worked with children ages five months to five years. I gained experience managing the classroom, planning activities and interacting with parents.

Education

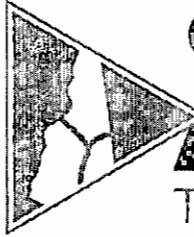
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**Bachelor's Degree in Liberal Arts- emphasis in philosophy in writing**  
Evergreen State College - Olympia, WA

**Master's Degree – unfinished in MHS with substance abuse licensure**  
Antioch New England Graduate School - Keene, NH

**Masters of writing- unfinished. Published in Creative writing**  
Emerson CollegeEmerson - Boston, MA





# COMMUNITY ACTION

# TRI-COUNTY CAP

30 Exchange Street, Berlin, New Hampshire 03570  
 Phone: 603-752-7001 Fax: 603-752-7607  
 www.tccap.org admin@tccap.org

CEO: Robert G. Boschen, Jr.  
 COO: Jeanne L. Robillard  
 FD/Interim CFO: Randall S. Pilotte

## Key Personnel

### Coordinated Entry

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Jeanne Robillard	CEO	\$115,00	0	0
Regan Pride	COO	\$67,000	0	0
Randall Pilotte	CFO	\$71,400	0	0
Dawn Ferringo	Division Director	\$53,000	16%	\$8,480
Carolyn Towne	Program Manager	\$40,000	40%	\$15,600
Silver Mills	Homeless Outreach Worker	\$31,200	50%	\$15,600
Rebecca Hewson	Homeless Outreach Worker	\$31,200	50%	\$15,600
Lisa Snowman	Homeless Outreach Worker	\$31,200	50%	\$15,600
Kate Ohaus	Homeless Outreach Worker	\$31,200	50%	\$15,600

Serving Coös, Carroll & Grafton Counties

Subject: Continuum of Care, Permanent Supportive Housing I Program, SS-2019-BHHS-03-Perma-25

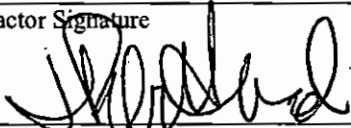
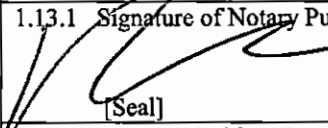
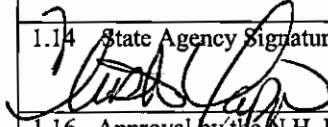
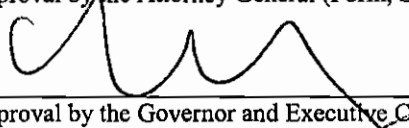
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**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 and Human Services Office of Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Tri-County Community Action Program, Inc.		1.4 Contractor Address 30 Exchange Street Berlin, NH 03570	
1.5 Contractor Phone Number (603) 752-7001	1.6 Account Number 05-95-42-423010-7927 102-500731	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$15,034
1.9 Contracting Officer for State Agency E. Maria Reinemann, Esq. Director, Contracts and Procurement Unit		1.10 State Agency Telephone Number (603) 271-9330	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Jeanne L. Robillard Chief Executive Officer	
1.13 Acknowledgement: State of New Hampshire, County of Coos On June 6 <sup>th</sup> 2018, before me, undersigned, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.12, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace 			
1.13.2 Name and Title of Notary or Justice of the Peace Kristen E. Partridge Administrative Assistant			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Date: 6-7-18 Christie Tappan, Associate Commissioner	
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. York - Attorney 6/8/18			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

**2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, 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.

Contractor Initials JK  
Date 6-5-18

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.



Exhibit A

**SCOPE OF SERVICES**

**Permanent Supportive Housing Program**

**1. Provisions Applicable to All Services**

- 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.2. 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, through the Bureau of Housing Supports, has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. The Contractor shall submit a detailed description of the language assistance services they will provided to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date; submitted to:  
  
NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301
- 1.4. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

**2. Scope of Services**

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) CoC Program, the Contractor shall provide a Permanent Housing, Permanent Supportive Housing or Rapid Re-Housing project which includes, but is not limited to:
  - 2.1.1. Utilization of the "Housing First" model, which shall at a minimum, not impose barriers to entering housing, beyond those required by regulation or statute, and will only terminate project participation for the most severe reasons once available options have been exhausted to help a participant maintain housing.  
  
"Housing First" details can be accessed at:  
<https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf>
  - 2.1.2. The development of a stabilization plan and crisis management plan with the participant, at intake and, at a minimum, annually. An ongoing Assessment of Housing and Supportive Services is required, with the ultimate goal being assistance to the participant in obtaining the skills necessary to live in the community independently.
  - 2.1.3. The CoC Program interim rule, 24 CFR Part 578, requires that all CoCs implement a Coordinated Entry System (CES) in collaboration with any projects funded by the CoC Program, ESG Program, and HOPWA Program.  
  
24 CFR Part 578 can be accessed at:  
[https://www.hudexchange.info/resources/documents/CoCProgramInterimRule\\_FormattedVersion.pdf](https://www.hudexchange.info/resources/documents/CoCProgramInterimRule_FormattedVersion.pdf)

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Exhibit A

- 2.1.4. The subrecipient is required to comply with applicable civil rights laws, per CFR Section 578.93, addressing nondiscrimination and equal opportunity requirements. Section 578.93(a) states that the nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105 (a) apply. This includes, but is not limited to, the Fair Housing Act, Title VI of Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 (Section 504), and title II of the Americans with Disabilities Act.
- 2.1.5. The subrecipient must establish and maintain standard operating procedures for ensuring that CoC program funds are used in accordance with the requirements of 24 CFR 578 and must establish and maintain sufficient records to enable HUD and BHS to determine whether the subrecipient is meeting the requirements, including:
  - 2.1.5.1. Continuum of Care records: Each collaborative applicant must keep the following documentation related to establishing and operating a CoC;
  - 2.1.5.2. Evidence that the Board selected by the Continuum of Care meets the requirements of § 578.5(b);
  - 2.1.5.3. Evidence that the Continuum has been established and operated as set forth in subpart B of this part, including published agendas and meeting minutes, an approved Governance Charter that is reviewed and updated annually, a written process for selecting a board that is reviewed and updated at least once every five (5) years, evidence required for designating a single Homeless Management Information System (HMIS) for the Continuum, and monitoring reports of recipients and subrecipients; and
  - 2.1.5.4. Evidence that the Continuum has prepared the application for funds as set forth in § 578.9, including the designation of the eligible applicant to be the collaborative applicant.
- 2.2. Unified funding agency records (UFAs) that requested grant amendments from HUD, as set forth in § 578.105, must keep evidence that the grant amendment was approved by the Continuum. This evidence may include minutes of meetings at which the grant amendment was discussed and approved.
- 2.3. Homeless status. Acceptable evidence of homeless status is set forth in 24 CFR 576.500(b).
- 2.4. At risk of homelessness status. For those recipients and subrecipients that serve persons at risk of homelessness, the recipient or subrecipient must keep records that establish "at risk of homelessness" status of each individual or family who receives CoC homelessness prevention assistance. Acceptable evidence is found in 24 CFR 576.500(c).
- 2.5. Records of reasonable belief of imminent threat of harm. For each program participant who moved to a different CoC due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking under § 578.51(c)(3), each recipient or subrecipient of assistance under this part must retain:
  - 2.5.1. Documentation of the original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file. This may be written observation of the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; court records or law enforcement records; or written certification by the program participant to whom the violence occurred or by the head of household.
  - 2.5.2. Documentation of the reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking, which would include threats from a third-party, such as a friend or family member of the perpetrator of the violence. This may be written observation

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Exhibit A

- by the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.
- 2.6. Annual income. For each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, the recipient or subrecipient must keep the following documentation of annual income:
- 2.6.1. Income evaluation form specified by HUD and completed by the recipient or subrecipient; and
  - 2.6.2. Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement) for the assets held by the program participant and income received before the date of the evaluation;
  - 2.6.3. To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period; or
  - 2.6.4. To the extent that source documents and third-party verification are unobtainable, the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the three (3) month period following the evaluation.
- 2.7. Program participant records. In addition to evidence of homelessness status or at-risk-of-homelessness status, as applicable, the recipient or subrecipient must keep records for each program participant that document:
- 2.7.1. The services and assistance provided to that program participant, including evidence that the recipient or Subrecipient has conducted an annual assessment of services for those program participants that remain in the program for more than a year and adjusted the service package accordingly, and including case management services as provided in § 578.37(a)(1)(ii)(F); and
  - 2.7.2. Where applicable, compliance with the termination of assistance requirement in § 578.91.
- 2.8. Housing standards. The recipient or subrecipient must retain documentation of compliance with the housing standards in § 578.75(b), including inspection reports.
- 2.9. Services provided. The recipient or subrecipient must document the types of supportive services provided under the recipient's program and the amounts spent on those services. The recipient or subrecipient must keep record that these records were reviewed at least annually and that the service package offered to program participants was adjusted as necessary.
- 2.10. Match. The recipient must keep records of the source and use of contributions made to satisfy the match requirement in § 578.73. The records must indicate the grant and fiscal year for which each matching contribution is counted. The records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.
- 2.11. Conflicts of interest. The recipient and its subrecipients must keep records to show compliance with the organizational conflict-of-interest requirements in § 578.95(c), the Continuum of Care board conflict-of-interest requirements in § 578.95(b), the other conflict requirements in §





Exhibit A

- 578.95(d), a copy of the personal conflict-of-interest policy developed and implemented to comply with the requirements in § 578.95, and records supporting exceptions to the personal conflict-of-interest prohibitions.
- 2.12. Homeless participation. The recipient or subrecipient must document its compliance with the homeless participation requirements under § 578.75(g).
- 2.13. Faith-based activities. The recipient and its subrecipients must document their compliance with the faith-based activities requirements under § 578.87(b).
- 2.14. Affirmatively Furthering Fair Housing. Recipients and subrecipients must maintain copies of their marketing, outreach, and other materials used to inform eligible persons of the program to document compliance with the requirements in § 578.93(c).
- 2.15. Other federal requirements. The recipient and its subrecipients must document their compliance with the federal requirements in § 578.99, as applicable.
- 2.16. Subrecipients and contractors.
- 2.16.1. The recipient must retain copies of all solicitations of and agreements with subrecipients, records of all payment requests by and dates of payments made to subrecipients, and documentation of all monitoring and sanctions of subrecipients, as applicable.
- 2.16.2. The recipient must retain documentation of monitoring subrecipients, including any monitoring findings and corrective actions required.
- 2.16.3. The recipient and its subrecipients must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR part 84.
- 2.17. Other records specified by HUD. The recipient and subrecipients must keep other records specified by HUD.
- 2.18. Confidentiality. In addition to meeting the specific confidentiality and security requirements for HMIS data, the recipient and its subrecipients must develop and implement written procedures to ensure:
- 2.18.1. All records containing protected identifying information of any individual or family who applies for and/or receives Continuum of Care assistance will be kept secure and confidential;
- 2.18.2. The address or location of any family violence project assisted with Continuum of Care funds will not be made public, except with written authorization of the person responsible for the operation of the project; and
- 2.18.3. The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with State and local laws regarding privacy and obligations of confidentiality;
- 2.19. Period of record retention. All records pertaining to Continuum of Care funds must be retained for the greater of five (5) years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.
- 2.19.1. Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for five (5) years after the expenditure of all funds from the grant under which the program participant was served; and
- 2.19.2. Where Continuum of Care funds are used for the acquisition, new construction, or rehabilitation of a project site, records must be retained until fifteen (15) years after the date that the project site is first occupied, or used, by program participants.

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Exhibit A

2.20. Access to records.

- 2.20.1. Federal Government rights. Notwithstanding the confidentiality procedures established under paragraph (2.18.) of this section, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the recipient and its subrecipients that are pertinent to the Continuum of Care grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period, but last as long as the records are retained.
- 2.20.2. Public rights. The recipient must provide citizens, public agencies, and other interested parties with reasonable access to records regarding any uses of Continuum of Care funds the recipient received during the preceding five (5) years, consistent with State and local laws regarding privacy and obligations of confidentiality and confidentiality requirements in this part.
- 2.21. Based on the continued receipt/availability of federal funds from HUD COC Program Competition Funding, over the grant period, the Vendor shall provide scattered housing which shall be targeted to serve two chronically homeless individuals.
- 2.22. The Contractor shall support the primary goal of this program which is to facilitate the movement of homeless and chronically homeless individuals and families to permanent housing and maximum self-sufficiency.
- 2.23. The Contractor shall maintain adherence to federal and state financial and confidentiality laws, and agrees to comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the 2017 NOFA Project Application approved by HUD.
- 2.24. The Contractor shall provide services according to HUD regulations as outlined in Public Law 102-550 and 24 CFR Part 578: Continuum of Care Program and other written HUD policies and directives as appropriate.

Public Law 102-550 can be accessed at:

<https://www.congress.gov/public-laws/102nd-congress>

The Electronic Code of Federal Regulations can be accessed at:

<https://www.ecfr.gov/cgi-bin/text-idx?SID=2bfae50cb70b6feb82e6a7c0cf6b6b&mc=true&node=pt24.3.578&rgn=div5>

**3. Program Reporting Requirements**

3.1. The Contractor shall submit the following reports:

- 3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the subrecipient is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.3 Exhibit A; and
- 3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.

NH HMIS policy can be accessed at:

<http://www.nh-hmis.org>

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Exhibit A

- 3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.
- 3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by BHS.
- 3.4. The Contractor shall cooperate fully with and answer all questions of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.

**4. Contract Administration**

- 4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with Contractor performance.
- 4.3. The Contractor shall inform BHS of any staffing changes within thirty (30) days of the change.
- 4.4. Contract records shall be retained for a period of five (5) years or as required by state or federal law; following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and BHS.

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Exhibit B

**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**1. Permanent Supportive Housing Program**

1.1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement pursuant to Exhibit A, Scope of Services, the State agrees to pay the Contractor an amount not to exceed Form P-37, Block 1.8, Price Limitation and for the time period specified below.

1.1.1. This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund:	0%
Federal Funds:	100%
CFDA #:	14.267
Grant Number:	NH0020L1T001710
Federal Agency:	U.S. Department of Housing & Urban Development (HUD)
Program Title:	Continuum of Care, Permanent Supportive Housing

Total Amount Continuum of Care;

July 1, 2018 – June 30, 2019: not to exceed \$15,034

Funds allocation under this agreement for Continuum of Care Program;

Administrative Expenses:	\$490
Leasing Expenses:	\$0
Operating Expenses:	\$0
Rental Assistance:	\$14,544
Supportive Services:	<u>\$0</u>
Total program amount:	\$15,034

1.2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

**2. Reports**

2.1. As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

2.1.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with 2 CFR part 200 which can be accessed at:

[https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State at the following address:

NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301

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**Exhibit B**

2.2. Where the Contractor is not subject to the requirements of 2 CFR part 200, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

**3. Project Costs; Payment Schedule; Review by the State**

3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of 2 CFR part 200.

3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 578.87(c).

3.3. The subrecipient must match all grant funds, except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources. Cash match must be used for the cost of activities that are eligible under subpart D of 24 CFR 578.

3.4. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578, and in compliance with the budget detail and narrative, as outlined in the 2017 NOFA Project Application approved by HUD, the State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of P.L. 102-550 and other applicable regulations.

3.4.1. Payment of Project Costs shall be made through the utilization of funds as provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount and time period not to exceed as specified above in section 1.1.1. Exhibit B.

3.4.2. Authorized expenses shall be those expenses as detailed in Exhibit B-1, Budget.

3.5. Schedule of Payments: Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor agrees to keep records of their activities related to Department programs and services, and shall provide additional financial information if requested by the State to verify expenses. Invoices shall be submitted promptly to the address listed above in section 2.1.1. Exhibit B.

3.6. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all

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**Exhibit B**

payments made to date. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture.

- 3.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.

**4. Use Of Grant Funds**

- 4.1. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.
- 4.2. Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

**5. Expense Eligibility**

- 5.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize Continuum of Care Program agreement value specified in Exhibit B of this agreement from the HUD Continuum of Care Program, for contract services.

**5.1.1. Operating Expenses**

- 5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.
- 5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

**5.1.2. Supportive Services**

- 5.1.2.1. Eligible supportive services costs must comply with all HUD regulations in 24 CFR 578.53. Eligible services are available to those individuals actively participating in the permanent housing program.
- 5.1.2.2. Eligible costs include:
- 5.1.2.3. mental health services;
- 5.1.2.4. case management services;
- 5.1.2.5. salaries of Contractor staff providing supportive services;
- 5.1.2.6. reasonable one-time moving costs (truck rental and hiring a moving company);
- 5.1.2.7. child-care costs for establishing and operating child care;

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Exhibit B

- 5.1.2.8. providing child-care vouchers for children from families experiencing homelessness (including meals, snacks, comprehensive and coordinated developmental activities);
  - 5.1.2.9. education services;
  - 5.1.2.10. employment assistance and job training skills;
  - 5.1.2.11. housing search and counseling services;
  - 5.1.2.12. legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing);
  - 5.1.2.13. outpatient health services; and
  - 5.1.2.14. transportation services and utility deposits.
  - 5.1.2.15. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.
- 5.1.3. Rental Assistance
- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
  - 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
  - 5.1.3.3. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
  - 5.1.3.4. Rental assistance will only be provided for a unit if the rent is reasonable. The Contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.
  - 5.1.3.5. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits.
  - 5.1.3.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
  - 5.1.3.7. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
  - 5.1.3.8. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require

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**Exhibit B**

program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid Re-Housing program component must be tenant based rental assistance.

- 5.1.3.9. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.1.3.10. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.1.3.11. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.

**5.1.4. Administrative Costs**

5.1.4.1. Administrative costs include:

5.1.4.2. preparing program budgets;

5.1.4.3. schedules and amendments;

5.1.4.4. developing systems for assuring compliance with program requirements;

5.1.4.5. developing interagency agreements and agreements with subrecipients and Contractors to carry out program activities;

5.1.4.6. preparing reports and other documents related to the program for submission to HUD;

5.1.4.7. evaluating program results against stated objectives;

5.1.4.8. travel costs incurred for official business in carrying out the program;

5.1.4.9. administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services) and;

5.1.4.10. other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).

5.1.5. Leasing: Leasing may include leasing one structure or leasing units scattered throughout a community.

5.1.5.1. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Contractor.

5.1.5.2. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.

5.1.5.3. The Contractor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.

5.1.5.4. Property damages may only be paid from money paid to landlord for security deposits.

5.1.5.5. The Contractor cannot lease a building that it already owns to itself.





**Exhibit B**

- 5.1.5.6. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
- 5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).
  - 5.2.1. The Contractor must match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.
  - 5.2.2. Match requirements are to be documented with each payment request.
- 5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 5. Expense Eligibility, Exhibit B. The Contractor must have written approval from the State prior to billing for any other expenses.
- 5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
- 5.5. The Contractor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.

**6. Contractor Financial Management System**

- 6.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
- 6.2. The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3, Project Costs: Payment Schedule; Review by the State, of this Agreement.

**Exhibit B-1 Budget**

**Bureau of Housing Supports  
Supportive Housing Program  
Payment request Form  
2017 NOFA**

**For BHS use only**

**Vendor # 177195 - B009**

**Contract #     Line # 1**

**Invoice: TCCAPPSHI**

**Descript: NH0020L1T001710**

**Account: 010-042-7927-102-500731**

**Add Activities**

**Amount \$**

**Job #**

**Amount \$**

**Job #**

Authorizing Signature(s)

**For BHS use only**

Amount	Staff initials	Date
\$ -	KS	
Amy O'Hara, Financial Manager		Date

<b>Tri-County CAP - PSH I</b>							
<b>Service Period:</b>							
7/1/18-6/30/19							
<b>Column A</b>	<b>Column B</b>	<b>Column C</b>	<b>Column D</b>	<b>Column E</b>	<b>Column F</b>	<b>Column G</b>	<b>Column H</b>
<b>Activity Name</b>	<b>Activity Budget</b>	<b>SHP Payments Received</b>	<b>Match Applied previously</b>	<b>Budgeted Balance Available</b>	<b>Requested This Invoice</b>	<b>Match Applied This Invoice</b>	<b>New Available Balance</b>
Rental Assistance	\$ 14,544.00	\$		\$ 14,544.00			\$ 14,544.00
Administration Award	\$ 490.00	\$		\$ 490.00			\$ 490.00
25% Required Match	\$3,881			\$ 3,881.00			\$ 3,881.00
<b>Total HUD Funding</b>	<b>\$ 15,034.00</b>	<b>\$</b>		<b>\$ 15,034.00</b>			<b>\$ 15,034.00</b>
<b>PLEASE PAY THIS AMOUNT</b>					<b>\$</b>		

Vendor Initials   *KS*  

Date   6-5-18



**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 Contractor's 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.

New Hampshire Department of Health and Human Services  
Exhibit C



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.

New Hampshire Department of Health and Human Services  
Exhibit C



- 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.



**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.





**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.

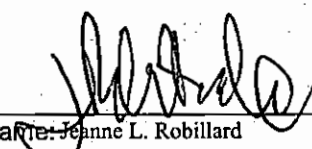
Place of Performance (street address, city, county, state, zip code) (list each location)

Check  if there are workplaces on file that are not identified here.

Contractor Name: Tri-County Community Action Program, Inc.

6-5-18

Date

  
Name: Jeanne L. Robillard  
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-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Contractor Name: Tri-County Community Action Program, Inc.

6-5-18  
Date

  
Name: Jeanne L. Robillard  
Title: Chief Executive Officer



**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

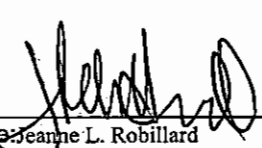
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
  - 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 (I)(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.

Contractor Name: Tri-County Community Action Program, Inc.

6-5-18  
Date

  
Name: Jeanne L. Robillard  
Title: Chief Executive Officer



**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

Contractor Initials

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

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.

Contractor Name: Tri-County Community Action Program, Inc

6-5-18

Date

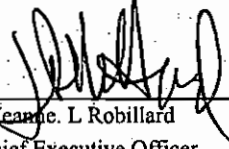
  
Name: Jeanne L. Robillard  
Title: Chief Executive Officer

Exhibit G

Contractor Initials

JL

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

Public Law 103-227, Part C - Environmental Tobacco Smoke; also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name: Tri-County Community Action Program Inc.

6-5-18  
Date

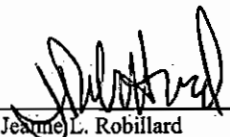
  
Name: Jeanne L. Robillard  
Title: Chief Executive Officer





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.



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) **Business Associate Use and Disclosure of Protected Health Information.**

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
  - I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

**(3) Obligations and Activities of Business Associate.**

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
  - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
  - o The unauthorized person used the protected health information or to whom the disclosure was made;
  - o Whether the protected health information was actually acquired or viewed
  - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



Exhibit I

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

*JK*



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

**(4) Obligations of Covered Entity**

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

**(5) Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

**(6) Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



Exhibit I

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health and Human Services  
The State

*Christine Tappan*  
Signature of Authorized Representative

*Christine Tappan*  
Name of Authorized Representative

*Associate Commissioner*  
Title of Authorized Representative

*6/7/18*  
Date

Tri-County Community Action Program, Inc.

Name of the Contractor  
*Jeanne L. Robillard*  
Signature of Authorized Representative

*Jeanne L. Robillard*  
Name of Authorized Representative

*Chief Executive Officer*  
Title of Authorized Representative

*6-5-18*  
Date



**CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE**

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
  - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
  - 10.2. Compensation information is not already available through reporting to the SEC.

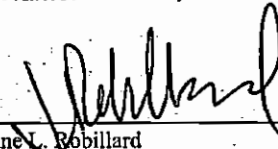
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Tri-County Community Action Program, Inc.

6-5-18  
Date

  
Name: Jeanne C. Robillard  
Title: Chief Executive Officer

New Hampshire Department of Health and Human Services  
Exhibit J



**FORM A**

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 073975708
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO  YES

If the answer to #2 above is NO, stop here

If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

NO  YES

If the answer to #3 above is YES, stop here

If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____





DHHS Information Security Requirements

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

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Exhibit K

DHHS Information Security Requirements

mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

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DHHS Information Security Requirements



request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

**II. METHODS OF SECURE TRANSMISSION OF DATA**

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open



DHHS Information Security Requirements

wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

**A. Retention**

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

DHHS Information Security Requirements



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

Handwritten initials, possibly "JK", written in black ink.

**New Hampshire Department of Health and Human Services**



Exhibit K

**DHHS Information Security Requirements**

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3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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Exhibit K

DHHS Information Security Requirements

- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and





5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov

A handwritten signature in black ink, appearing to be "AJL", written over a horizontal line.

# State of New Hampshire

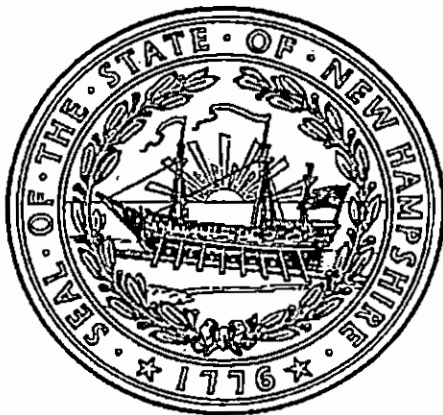
## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. (TRI-COUNTY CAP) is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 18, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 63020

Certificate Number: 0004079930



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 11th day of April A.D. 2018.

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

I, Gary Coulombe, do hereby certify that:

(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Tri-County Community Action Program, Inc.  
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of  
the Agency duly held on February 27<sup>nd</sup>, 2018:  
(Date)

**RESOLVED:** That the Chief Executive Officer  
(Title of Contract Signatory)

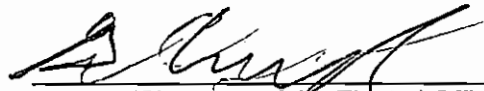
is hereby authorized on behalf of this Agency to enter into the said contract with the State and to  
execute any and all documents, agreements and other instruments, and any amendments, revisions,  
or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of

The 5 day of June 2018.  
(Date Contract Signed)

4. Jeanne L. Robillard is the duly elected Chief Executive Officer  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

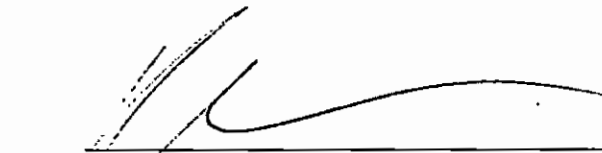
  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Coos

The forgoing instrument was acknowledged before me this 5<sup>th</sup> day of June, 2018,

By Gary Coulombe  
(Name of Contract Signatory) (Title of Contract Signatory)

  
(Notary Public/Justice of the Peace)



Commission Expires: November 22, 2022



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/11/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b>		<b>CONTACT NAME:</b> Karen Shaughnessy	
FIAI/Cross Insurance		PHONE (A/C, No, Ext): (603) 669-3218	FAX (A/C, No): (603) 645-4331
1100 Elm Street		E-MAIL ADDRESS: kshaughnessy@crossagency.com	
Manchester NH 03101		INSURER(S) AFFORDING COVERAGE	
		INSURER A: Technology Ins. Co.	NAIC # 42376
<b>INSURED</b>		INSURER B: Wesco Ins. Co.	25011
Tri-County Community Action Program, Inc		INSURER C: AmGuard Ins Co	42390
30 Exchange Street		INSURER D:	
Berlin NH 03570		INSURER E:	
		INSURER F:	

**COVERAGES**

CERTIFICATE NUMBER: 17-18 All lines

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			TPP1224751	7/1/2017	7/1/2018	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
							MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 3,000,000
							PRODUCTS - COMP/OP AGG \$ 3,000,000
							Crime/Employee Dishonesty \$ 600,000
A	<b>AUTOMOBILE LIABILITY</b>			TPP1224751	7/1/2017	7/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/>	<input type="checkbox"/>				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/>	<input type="checkbox"/>				PROPERTY DAMAGE (Per accident) \$
		<input type="checkbox"/>	<input type="checkbox"/>				Underinsured motorist \$ 1,000,000
B	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR			WUM1565713	7/1/2017	7/1/2018	EACH OCCURRENCE \$ 2,000,000
	<input checked="" type="checkbox"/> EXCESS LIAB						AGGREGATE \$ 2,000,000
	<input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000						
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>			TRWC858263	7/1/2017	7/1/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/>	N/A				E.L. EACH ACCIDENT \$ 500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 500,000
A	<b>Professional Liability</b>			TPP1224751	7/1/2017	7/1/2018	Per Occurrence \$1,000,000
							Aggregate \$3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Refer to policy for exclusionary endorsements and special provisions.

**CERTIFICATE HOLDER****CANCELLATION**

State of New Hampshire DHHS 129 Pleasant Street Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE  T Franggos/JSC <i>Jalitha Franggos</i>

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June 4, 2018

Mr. Kalasky, James  
NH Department of Health and Human Services  
Brown Building  
129 Pleasant Street  
Concord, NH 03301

Re: Insurance

Dear Mr. Kalasky,

Please let this letter serve as verification that Tri-County Community Action Program, Inc. maintains all required insurance coverages. Tri-County CAPS's current Insurance policies are scheduled to renew effective 7/1/2018 Tri-County CAP's will maintain the same insurance coverage that is currently in place in place. There will be no break in service or lapse in coverage.

All of us at Tri-County CAP look forward to continuing our successful staffing partnership New Hampshire D.O.C. If you have any questions, please contact me at 603-752-7002, extension 207 or by email at [jrobillard@tccap.org](mailto:jrobillard@tccap.org).

Sincerely,

Jeanne L. Robillard  
Chief Executive Officer

## **MISSION STATEMENT**

**Tri-County CAP is a group of people and projects dedicated to improving the lives and well-being of New Hampshire's people and communities.**

**We provide opportunities and support for people to learn and grow in self-sufficiency, and to get involved in helping their neighbors and improving the conditions in their communities.**

***Tri-County Community Action Programs...  
Helping people, changing lives.***

**TRI-COUNTY COMMUNITY ACTION PROGRAM, Inc. Is a private, non-profit 501(C) 3 corporation that is dedicated to improving the lives and well being of New Hampshire's people and communities. Formed on May 18, 1965, we provide opportunities and support for people to learn and grow in self-sufficiency and get involved in helping their neighbors and improving the conditions in their communities.**

***TRI-COUNTY COMMUNITY ACTION PROGRAM, Inc.***

***...Helping people, changing lives.***

*Financial Statements*

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**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.  
AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR YEARS ENDED JUNE 30, 2017 AND 2016  
AND  
INDEPENDENT AUDITORS' REPORTS**

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

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To the Board of Directors of  
Tri-County Community Action Program, Inc.  
Berlin, New Hampshire

## **INDEPENDENT AUDITORS' REPORT**

### ***Report on the Financial Statements***

We have audited the accompanying consolidated financial statements of Tri-County Community Action Program, Inc. and Affiliate (a New Hampshire nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities, cash flows and functional expenses for the years 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 audit 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' judgement, 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 consolidated financial position of Tri-County Community Action Program, Inc. and Affiliate as of June 30, 2017 and 2016, and its consolidated cash flows for the years then ended, and the changes in its net assets for the year ended June 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited Tri-County Community Action Program, Inc. and Affiliate's 2016 consolidated financial statements, and we expressed an unmodified audit opinion on those consolidated financial statements in our report dated November 16, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

## **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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 November 10, 2017, on our consideration of Tri-County Community Action Program, 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 the effectiveness of Tri-County Community Action Program, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tri-County Community Action Program, Inc.'s internal control over financial reporting and compliance.

*Leone, McDonnell & Roberts*  
*Professional Association*

November 10, 2017  
North Conway, New Hampshire

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2017 AND 2016**

	<b><u>ASSETS</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		\$ 505,700	\$ 589,806
Accounts receivable		1,326,994	1,248,318
Pledges receivable		205,804	229,419
Inventories		65,641	88,880
Prepaid expenses		<u>45,345</u>	<u>40,992</u>
Total current assets		<u>2,149,484</u>	<u>2,197,415</u>
<b>PROPERTY</b>			
Property, plant, and equipment		13,544,469	13,388,060
Less accumulated depreciation		<u>(5,317,470)</u>	<u>(5,052,926)</u>
Property, net		<u>8,226,999</u>	<u>8,335,134</u>
<b>OTHER ASSETS</b>			
Restricted cash		942,687	787,761
Building refinance costs, net		<u>13,591</u>	<u>14,478</u>
Total other assets		<u>956,278</u>	<u>802,239</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 11,332,761</u></b>	<b><u>\$ 11,334,788</u></b>
	<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>			
Demand note payable		\$ 671,434	\$ 863,867
Current portion of long term debt		587,809	197,181
Current portion of capital lease obligations		4,057	2,718
Accounts payable		518,447	675,526
Accrued compensated absences		242,545	294,243
Accrued salaries		196,882	176,185
Accrued expenses		107,627	93,764
Refundable advances		197,548	233,329
Other liabilities		<u>645,311</u>	<u>510,910</u>
Total current liabilities		<u>3,171,660</u>	<u>3,047,723</u>
<b>LONG TERM DEBT</b>			
Long term debt, net of current portion		5,254,436	5,866,916
Capital lease obligations, net of current portion		<u>12,670</u>	<u>11,756</u>
Total liabilities		<u>8,438,766</u>	<u>8,926,395</u>
<b>NET ASSETS</b>			
Unrestricted		2,191,395	1,630,450
Temporarily restricted		<u>702,600</u>	<u>777,943</u>
Total net assets		<u>2,893,995</u>	<u>2,408,393</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b><u>\$ 11,332,761</u></b>	<b><u>\$ 11,334,788</u></b>

See Notes to Consolidated Financial Statements

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
<b>REVENUES AND OTHER SUPPORT</b>				
Grant and contracts	\$ 12,338,863	\$ 305,694	\$ 12,844,557	\$ 12,804,401
Program funding	1,638,901	69,588	1,708,487	1,761,890
Utility programs	972,359	-	972,359	1,279,740
In-kind contributions	436,874	-	436,874	313,824
Contributions	486,754	10,981	497,735	267,932
Fundraising	42,421	-	42,421	37,281
Rental income	847,380	-	847,380	800,533
Interest income	270	-	270	272
Loss on disposal of property	(16,685)	-	(16,685)	(175,932)
Forgiveness of debt	25,912	-	25,912	-
Other revenue	4,461	-	4,461	421
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues and other support	16,777,510	386,261	17,163,771	16,890,182
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<hr/>	<hr/>	<hr/>	<hr/>
	461,604	(461,604)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues, other support, and net assets released from restrictions	17,239,114	(75,343)	17,163,771	16,890,182
	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUNCTIONAL EXPENSES</b>				
Program Services:				
Agency Fund	825,517	-	825,517	779,057
Head Start	2,312,665	-	2,312,665	2,176,567
Guardianship	735,925	-	735,925	735,473
Transportation	1,063,996	-	1,063,996	1,074,998
Volunteer	121,543	-	121,543	101,998
Workforce Development	402,576	-	402,576	366,205
Alcohol and Other Drugs	1,165,000	-	1,165,000	1,086,057
Carroll County Dental	542,920	-	542,920	513,419
Carroll County Restorative Justice	-	-	-	47,843
Support Center	265,052	-	265,052	276,786
Homeless	554,509	-	554,509	514,521
Energy and Community Development	6,276,570	-	6,276,570	6,988,501
Elder	1,026,070	-	1,026,070	1,125,851
Housing Services	167,528	-	167,528	161,727
	<hr/>	<hr/>	<hr/>	<hr/>
Total program services	15,459,871	-	15,459,871	15,948,983
Supporting Activities:				
General and administrative	1,213,425	-	1,213,425	1,236,429
Fundraising	4,873	-	4,873	1,191
	<hr/>	<hr/>	<hr/>	<hr/>
Total supporting activities	1,218,298	-	1,218,298	1,237,620
	<hr/>	<hr/>	<hr/>	<hr/>
Total functional expenses	16,678,169	-	16,678,169	17,186,603
	<hr/>	<hr/>	<hr/>	<hr/>
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>	560,945	(75,343)	485,802	(296,441)
<b>OTHER INCOME</b>				
Gain on interest rate swap	-	-	-	7,385
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL CHANGES IN NET ASSETS</b>	560,945	(75,343)	485,802	(289,056)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, BEGINNING OF YEAR</b>	1,630,450	777,943	2,408,393	2,697,449
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, END OF YEAR</b>	\$ 2,191,395	\$ 702,600	\$ 2,893,995	\$ 2,408,393

See Notes to Consolidated Financial Statements

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 485,602	\$ (289,056)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	492,141	472,186
Donation of property and equipment	(224,685)	-
Loss on disposal of property	16,685	175,932
Forgiveness of debt	(25,912)	-
Gain on interest rate swap	-	(7,385)
(Increase) decrease in assets:		
Accounts receivable	(78,676)	(234,044)
Pledges receivable	23,615	18,335
Inventories	23,239	27,270
Prepaid expenses	(4,353)	(10,314)
Restricted cash	(154,926)	(247,366)
(Decrease) increase in liabilities:		
Accounts payable	(157,079)	3,744
Accrued compensated absences	(51,698)	(37,781)
Accrued salaries	20,697	41,363
Accrued expenses	13,863	(13,710)
Refundable advances	(35,781)	41,986
Other liabilities	134,401	230,436
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>477,133</u>	<u>171,596</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property	26,750	75,000
Purchases of property and equipment	(181,113)	(116,320)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(154,363)</u>	<u>(41,320)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net (repayment) advance on demand note payable	(192,432)	191,660
Repayment of long-term debt	(210,808)	(219,778)
Repayment of capital lease obligations	(3,636)	(1,302)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(406,876)</u>	<u>(29,420)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(84,106)	100,856
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>589,806</u>	<u>488,950</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 505,700</u>	<u>\$ 589,806</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for:		
Interest	<u>\$ 208,781</u>	<u>\$ 184,941</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Purchase of property and equipment financed by long-term debt	<u>\$ 14,867</u>	<u>\$ 45,689</u>
Purchase of property and equipment financed by capital lease	<u>\$ 5,889</u>	<u>\$ 15,776</u>
Line of credit converted to long term debt	<u>\$ -</u>	<u>\$ 28,045</u>

See Notes to Consolidated Financial Statements

TRICOUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2017

	Agency Fund	Head Start	Guardianship	Transportation	Volunteer	Workforce Development	Alcohol and Other Drugs	Carroll County Dental	Support Center	Homeless	Energy and Development	Elder	Housing Services	Total	General & Administration	Fundraising	Total
<b>Direct Expenses</b>																	
Payroll	\$ 104,069	\$ 1,122,998	\$ 500,278	\$ 459,600	\$ 57,925	\$ 176,248	\$ 748,468	\$ 328,917	\$ 163,094	\$ 295,500	\$ 1,005,420	\$ 427,875	\$ 11,851	\$ 5,369,959	\$ 638,647	\$ -	\$ 6,028,506
Payroll taxes and benefits	19,111	307,007	129,664	97,125	15,155	45,427	180,112	66,553	40,768	72,525	280,295	94,161	-	1,347,802	165,870	-	1,513,672
Assistance to clients	1,079	-	-	-	-	53,724	-	-	1,511	57,638	4,253,487	-	-	4,377,437	-	-	4,377,437
Consultants and contractors	3,475	38,756	4,462	12,816	-	-	33,608	3,369	-	10,000	8,696	76,065	-	190,347	11,697	-	302,044
Fiscal and administrative	806	24,672	8,142	3,732	790	192	5,544	3,691	1,435	1,136	39,910	3,297	-	93,207	-	-	175,921
Space costs and rentals	1,684	167,810	31,905	13,860	4,774	95,919	30,658	-	-	33,636	154,444	66,494	-	501,690	228,794	-	819,384
Consumable supplies	14,573	176,087	8,229	8,007	1,192	2,896	73,307	40,430	6,540	8,134	274,747	275,839	13,928	902,886	11,093	-	913,979
Maintenance of equipment and rental	(10,916)	2,957	1,261	7,404	17	-	4,951	10,850	944	1,435	7,220	10,845	-	37,008	-	-	65,158
Building and grounds maintenance	81,132	32,150	-	1,935	-	-	7,620	1,420	11,290	7,990	999	12,476	28,602	186,279	1,708	-	187,985
Utilities	128,652	20,225	14,678	13,335	1,277	7,062	33,880	9,553	21,092	21,383	28,825	18,473	21,905	340,520	3,760	-	344,270
Filed fees	-	-	-	-	-	-	-	-	3	-	-	1,489	-	1,492	-	-	1,492
Travel and meetings	802	54,129	25,587	97,127	2,855	18,927	12,047	2,721	4,020	14,991	10,659	23,728	805	268,529	7,170	-	275,899
Vehicle expense	7,456	99	-	130,823	-	-	1,394	-	-	321	25,671	-	-	165,503	-	-	165,503
Insurance	90,963	20,168	843	38,222	889	-	16,508	2,472	5,484	6,721	31,889	-	14,551	226,522	6,175	-	232,797
Interest expense	144,061	46	1,890	3,820	42	-	6,791	37,145	484	1,022	12,867	583	-	208,781	4,670	-	213,451
Other direct program costs	45,803	6,279	8,991	21,573	263	1,626	(13,937)	4,857	687	1,838	110,351	6,376	8,797	203,394	22,789	4,873	231,056
Depreciation and amortization expense	179,148	31,388	-	123,747	-	-	24,153	32,542	10,025	1,752	21,465	852	67,389	492,141	-	-	492,141
In-kind expended	12,850	308,258	-	32,070	35,413	-	-	-	7,877	20,569	-	19,017	-	438,874	-	-	438,874
<b>Total Direct Expenses</b>	<b>825,517</b>	<b>2,312,665</b>	<b>735,925</b>	<b>1,063,996</b>	<b>121,543</b>	<b>402,578</b>	<b>1,165,000</b>	<b>542,920</b>	<b>265,052</b>	<b>554,609</b>	<b>6,276,570</b>	<b>1,026,070</b>	<b>167,528</b>	<b>15,459,871</b>	<b>1,213,425</b>	<b>4,873</b>	<b>16,678,169</b>
<b>Indirect Expenses</b>																	
Indirect costs	78,804	231,442	89,711	112,810	10,766	33,919	142,508	83,688	32,038	57,699	220,962	119,378	-	1,213,425	(1,213,425)	-	-
<b>Total Direct &amp; Indirect expenses</b>	<b>\$ 904,321</b>	<b>\$ 2,544,107</b>	<b>\$ 825,636</b>	<b>\$ 1,176,806</b>	<b>\$ 132,309</b>	<b>\$ 436,495</b>	<b>\$ 1,307,508</b>	<b>\$ 626,608</b>	<b>\$ 297,090</b>	<b>\$ 612,308</b>	<b>\$ 6,497,532</b>	<b>\$ 1,145,348</b>	<b>\$ 167,528</b>	<b>\$ 16,673,296</b>	<b>\$ -</b>	<b>\$ 4,873</b>	<b>\$ 16,678,169</b>

See Notes to Consolidated Financial Statements

TRICOUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2010

	Agency Fund	Hand Sten	Charitable	Transportation	Volunteer	Development	Other Drugs	Alcohol and	Carroll County	Carroll County	Respite	Support	Homeless	Energy &	Elder	Services	Total	General &	Fundraising	Total	
Direct Expenses	\$ 85,413	\$ 1,115,668	\$ 488,802	\$ 488,802	\$ 63,903	\$ 195,464	\$ 615,812	\$ 312,848	\$ 18,541	\$ 184,742	\$ 287,310	\$ 1,153,089	\$ 454,166	\$ 11,090	\$ 5,413,982	\$ 650,292	\$ 17,185,412	\$ -	\$ 1,191	\$ 17,186,603	
Payroll taxes and benefits	18,482	309,788	128,645	128,645	91,285	147,000	53,837	101,555	66,224	43,120	68,194	319,438	105,785	-	1,284,935	161,375	17,185,412	-	-	17,186,603	
Assistance to clients	8,132	-	-	-	298	-	3,977	-	-	35,076	4,828,528	-	-	-	4,878,991	-	-	-	-	-	
Contractors and construction	4,938	30,458	5,220	37,205	-	22,190	38,701	22,190	6,570	10,000	18,009	48,324	89,153	2,428,554	-	-	-	-	-	-	
Special and administrative	1,038	18,755	4,566	27,205	-	156	4,981	788	1,163	48,324	788	89,153	1,438	-	-	-	-	-	-	-	
Space costs and rentals	21,495	156,778	32,838	13,860	4,991	83,079	22,409	14,188	1,103	33,641	152,651	169,121	54,172	599,804	-	-	-	-	-	-	
Consumable supplies	12,991	134,978	10,384	40,684	2,513	17,092	75,412	17,092	8,771	300,094	300,094	8,590	11,749	889,485	6,335	-	-	-	-	-	
Maintenance of equipment and rental	2,400	2,383	1,018	5,870	-	1,870	4,288	492	-	8,590	11,749	39,923	803	217,234	-	-	-	-	-	-	
Building and grounds maintenance	66,247	30,124	-	-	-	1,637	10,283	1,637	-	4,435	70	169,121	58	82,756	-	-	-	-	-	-	
Utilities	126,888	24,107	14,625	13,987	910	7,178	39,489	9,150	1,028	20,789	34,488	19,574	22,802	355,812	4,557	-	-	-	-	-	
Fuel fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Travel and meetings	600	66,701	29,252	89,730	1,456	14,186	1,901	283	-	6,084	16,734	2,104	2,568	283,810	8,444	-	-	-	-	-	
Vehicle expenses	3,881	83	-	144,886	-	1,164	1,950	34,903	-	1,950	34,903	2,808	2,808	186,603	5,211	-	-	-	-	-	
Insurance	112,203	19,831	1,108	62,553	-	2,396	20,668	858	-	6,631	42,863	181	15,820	284,458	4,085	-	-	-	-	-	
Interest expense	125,691	7	-	1,659	60	35,744	858	22	-	13,729	17,288	5,345	11,080	157,813	29,372	-	-	-	-	-	
Other direct program costs	17,145	14,445	14,280	19,777	5,745	1,938	60,432	1,938	628	1,815	12,228	18,251	67,382	471,831	285	-	-	-	-	-	
Depreciation and amortization expense	180,955	18,587	14,457	116,839	-	22,844	32,642	22,844	-	10,025	17,521	4,855	11,898	45,834	313,824	-	-	-	-	-	
In-kind expended	-	-	-	244,794	6,912	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Direct Expenses	779,057	2,176,567	725,473	1,074,998	101,998	368,205	1,088,057	513,419	47,843	278,766	514,521	6,883,501	1,125,851	181,727	15,943,863	1,236,429	17,185,412	-	1,191	17,186,603	
Indirect Expenses	90,902	220,822	89,118	118,834	11,378	38,108	127,802	69,882	4,144	33,812	66,001	249,401	128,049	-	1,236,429	(1,236,429)	-	-	-	-	
Total Direct & Indirect expenses	\$ 869,959	\$ 2,407,489	\$ 824,591	\$ 1,193,832	\$ 113,376	\$ 402,313	\$ 1,215,859	\$ 573,281	\$ 51,987	\$ 310,578	\$ 670,622	\$ 7,227,902	\$ 1,253,900	\$ 181,727	\$ 17,185,412	\$ -	\$ 1,191	\$ -	\$ 1,191	\$ 17,186,603	

See Notes to Consolidated Financial Statements

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Principles of Consolidation**

The consolidated financial statements include the accounts of Tri-County Community Action Program, Inc. and its affiliate, Cornerstone Housing North, Inc. The two organizations are consolidated because Tri-County Community Action Program, Inc. controls 100% of the voting power of Cornerstone Housing North, Inc. All significant intercompany items and transactions have been eliminated from the basic financial statements. Tri-County Community Action Program, Inc. (the Organization) is a New Hampshire non-profit corporation that operates a wide variety of community service programs which are funded primarily through grants or contracts from various federal, state, and local agencies. Cornerstone Housing North, Inc. (a New Hampshire nonprofit corporation) was incorporated under the laws of the State of New Hampshire for the acquisition, construction and operation of community based housing for the Elderly.

**Nature of activities**

The Organization's programs consist of the following:

**Agency**

Tri-County CAP Administration provides central program management support and oversight to our many individual programs. This includes planning and budget development, bookkeeping and accounting, payroll and HR services, legal and audit services, IT support, management support, financial support and central policy development.

Tri-County CAP Administration is the liaison between Tri-County Community Action Program, Inc., Board of Directors and its programs, ensuring that programs comply with agreements made by the Board to funding sources and vendors.

Other responsibilities include the management and allocation of funding received through a Community Services Block Grant, as well as management of the Organization's real estate property.

**Head Start**

Head Start provides comprehensive services to low-income children and their families. Head Start supports children's growth and development in a positive learning environment through a variety of activities as well as providing services, which include in addition to Early learning, Health and Family well-being. All children receive health and development screenings, nutritious meals, oral health and mental health support. Parents and families are supported in achieving their own goals, such as housing stability, continued education, and financial stability.



Programs support and strengthen parent-child relationships as their child's primary educator. Head Start staff work as partners with parents to identify and provide individualized activities that support their child's growth and development.

Tri County Community Action Head Start serves 217 children in Carroll, Coos & Grafton counties in 9 locations with 12 center-based classrooms and 1 home based option.

### **Guardianship**

The Organization's Guardianship program provides advocacy and guardian services for the vulnerable population of New Hampshire residents (developmentally disabled, chronically mentally ill, traumatic brain injury, and the elderly suffering from Alzheimer's, dementia, and multiple medical issues) who need a guardian and who have no family member or friend willing, able, or suitable to serve in that capacity. This program serves 407 individuals.

### **Transportation**

The Organization's transit program provides various transportation services: public bus routes, door-to-door service by request, long distance medical travel to medical facilities outside our regular service area, and special trips for the elderly to go shopping and enjoy other activities that are located outside the regular service area. The Organization's fleet of 19 wheelchair accessible vehicles offers transportation options to the elderly and disabled, as well as to the general public.

### **Volunteer**

The Coos County Retired & Senior Volunteers Program (RSVP) maintains a minimum group of 400 volunteers, ages 55 and older. These volunteers share their skills, life experiences, and time with over 60 local non-profit and public agencies throughout Coos County that depend on volunteer assistance to meet the needs of their constituents. Our volunteers donate over 53,000 hours yearly.

### **Workforce Development**

The Organization is assisting transitional and displaced workers as they prepare for new jobs, and also assisting currently-employed workers to gain the skills required for better jobs.

The Organization is helping to implement New Hampshire's Unified State Plan for Workforce Development, in line with the federal Workforce Investment Act. Workforce training programs, with training facilities in three towns, provide temporary assistance for needy family (TANF) recipients with 20-30 hours per week of training in the areas of employment skills, computer skills, and business experience, and also place participating TANF recipients in community-based work experience sites.

**Alcohol & Other Drugs (AOD)**

Services provided through the AOD program include assisting the alcoholic/addicted person on the road to recovery, through three phases: Crisis Intervention, Sobriety Maintenance, and Assessment and Referral to appropriate treatment facilities.

The Residential Treatment Programs (Friendship House) provide chemically dependent individuals with the fundamental tools of recovery, including educational classes, group and individual counseling, work and recreational therapy, and attendance at in-house and community-based alcoholics anonymous and narcotics anonymous meetings. The AOD program also offers assistance with its impaired driver programs.

The Friendship House, in December of 2014, had approximately \$130,000 worth of investments and improvements due to assistance from Public Services of New Hampshire. There were \$18,847 and \$92,748 of pre-development capitalized expenses in 2017 and 2016, respectively.

See Note 17 for subsequent events.

**Carroll County Dental**

The Tamworth Dental Center (the Center) offers high quality oral health care to children with NH Medicaid coverage. The Organization also serves uninsured and underinsured children and adults using a sliding fee scale that offers income-based discounts for care. The Center accepts most common dental insurances for those who have commercial dental insurance coverage. A school-based project of the Dental Center, School Smiles, offers oral health education, screening, treatment and referrals for treatment to over 1,000 children in 9 schools in the vicinity of the Center.

**Carroll County Restorative Justice**

The Organization's restorative justice program provides comprehensive alternatives to traditional court sentencing and dispute resolution within the framework of Balanced and Restorative Justice. Two key components of this process are personal accountability for one's actions (diversion) and alternative conflict resolution (mediation). Services are provided by in-house staff, volunteers, and partnered relations with other local service providers. The division was discontinued in January 2016.

**Support Center**

The Organization's Support Center at Burch House provides direct service and shelter to victims and survivors of domestic and sexual violence and stalking in Northern Grafton County. Support Center services are accessible 24 hours a day, 365 days a year. They include: crisis intervention; supportive counseling; court, hospital and policy advocacy and accompaniment; emergency shelter; support groups; community education and outreach; violence prevention programs for students; information, referrals and assistance accessing other community resources.

**Homeless**

Homeless services include an outreach intervention and prevention project that strives to prevent individuals and families from becoming homeless, and assists the already homeless in securing safe, affordable housing. The Organization provides temporary shelter space for homeless clients.

The Organization also provides some housing rehabilitation services to help preserve older housing stock.

**Energy Assistance and Outreach**

Energy Assistance Services provide fuel and electric assistance through direct pay to vendors or a discount on the client's bill. Community Contact sites allow local participants access to energy assistance programs and other emergency services. The offices provide information to the Organization's clients about other programs offered, as well as other programs available through other organizations in the community.

**Low-Income Weatherization**

The NH Weatherization Program helps low-income families, Elderly, Disabled, Small children and individuals lower their home energy costs; increase their health, safety, and comfort; and improve the quality of living while improving housing stock in communities around the state utilizing energy cost saving, health and safety and carbon lowering measures. The NH Weatherization Assistance Program also creates Local NH jobs.

**Elder**

The Organization's Elder program provides senior meals in 15 community dining sites, home-delivered meals (Meals on Wheels) to the frail and homebound elderly, and senior nutrition education and related programming. The Coos County ServiceLink Aging & Disability Resource Center assists with person-centered counseling, Medicare counseling, Medicaid assistance, long-term care counseling services, and caregiver supports.

**Housing Services**

Cornerstone Housing North, Inc. is subject to a Project Rental Assistance Contract (PRAC) with the United States Department of Housing and Urban Development, and a significant portion of their rental income is received from the Department of Housing and Urban Development:

The Organization includes a 12 unit apartment complex in Berlin, New Hampshire for the elderly. This operates under Section 202 of the National Housing Act and is regulated by the U.S. Department of Housing and Urban Development (HUD) with respect to the rental charges and operating methods.

The above Organization has a Section 202 Capital Advance. Under guidelines established by the U.S. Office of Management and Budget *Uniform Guidance, Title 2 U.S. Code of Federal Regulations (CFR) part 200, Uniform Administrative Requirements; Cost Principles and Audit Requirements for Federal Awards*, the Section 202 Capital Advance is considered to be a major program.

**Method of accounting**

The consolidated financial statements of Tri-County Community Action Program, Inc. have been prepared utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under this basis, revenue, other than contributions, and expenses are reported when incurred without regard to the date of receipt or payment of cash.

**Basis of presentation**

Financial statement presentation follows the recommendations of the FASB in its Accounting Standard Codification No. 958 *Financial Statements of Not-For-Profit Organizations*. Under FASB ASC No. 958, 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.

The Organization had no permanently restricted net assets at June 30, 2017 and 2016. The Organization had temporarily restricted net assets of \$702,600 and \$777,943 at June 30, 2017 and 2016, respectively.

**Restricted and unrestricted support**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Unrestricted net assets** include revenues and expenses and contributions which are not subject to any donor imposed restrictions. Unrestricted net assets can be board designated by the Board of Directors for special projects and expenditures.

**Temporarily restricted net assets** include contributions for which time restrictions or donor-imposed restrictions have not yet been met. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction (**Note 12**).

**Permanently restricted net assets** include gifts which require, by donor restriction, that the corpus be invested in perpetuity and only the income or a portion thereof (excluding capital gains restricted by State statute) be made available for program operations in accordance with donor restrictions. The Organization had no permanently restricted net assets at June 30, 2017 and 2016.

### **Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. The accounting standards for fair values establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The hierarchy is classified into three levels based on the reliability of inputs as follows:

**Level 1:** Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

**Level 2:** Valuation is determined from quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in markets that are not active or by model-based techniques in which all significant inputs are observable in the market.

**Level 3:** Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The degree of judgment exercised in determining fair value is greatest for instruments categorized as Level 3.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, the type of asset/liability, whether the asset/liability is established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, assumptions are required to reflect those that market participants would use in pricing the asset or liability at the measurement date.

As disclosed in **Note 6**, the bond payable, formerly bearing monthly interest of 69% of the sum of the one month London Interbank Offered Rate (LIBOR) plus 3.25%, when the Organization's debt service coverage ratio was 1.10; or 3.00% when the Organization's debt service coverage ratio was 1.20, included an interest rate swap agreement. The Organization paid interest at a fixed 3.85%. The arrangement was scheduled to expire on August 2040. The notional amount of the contract was \$3,145,412. Accordingly, the swap arrangement, which is a derivative financial instrument, was classified as a cash flow hedge and was valued at the net present value (NPV) of all estimated future cash flows. The Organization's purpose in entering into a swap arrangement was to hedge against the risk of interest rate increases on the related variable rate debt and not to hold the instrument for trading purposes. The swap arrangement was removed in February 2016 when the bond agreement was renewed and the effective interest rate became 2.75% plus the bank's internal cost of funds multiplied by 67%. The rate at the time of renewal was 3.10%. For the year ended June 30, 2016, the Organization realized a gain of \$7,385 on the swap and there was no fair value of the swap remaining after the bond was renewed.

#### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Most of the receivables are amounts due from federal and state awarding agencies and are based on reimbursement for expenditures made under specific grants or contracts. A portion of the accounts receivable balance represents amounts due from patients at Carroll County Dental and participants in the alcohol and other drug treatment programs. Past due receivables are written off at management's discretion using the direct write off method; this is not considered a departure from accounting principles generally accepted in the United State because the effects of the direct write method approximate those of the allowance method. Management selects accounts to be written off after analyzing past payment history, the age of the accounts receivable, and collection rates for receivables with similar characteristics, such as length of time outstanding. The Organization does not charge interest on outstanding accounts receivable.

#### **Property and Depreciation**

Acquisitions of buildings, equipment, and improvements in excess of \$5,000 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Buildings, equipment, and improvements are stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets.

Depreciation expense related to assets used solely by an individual program is charged directly to the related program.

Depreciation expense for assets used by more than one program is charged to the program based upon a square footage or other similar allocation.

Depreciation expense related to administrative assets is included in the indirect cost pool and charged to the programs in accordance with the indirect cost plan. Maintenance and repairs that do not materially prolong the useful lives of assets are charged to expense as incurred.

Estimated useful lives are as follows:

Buildings and improvements	20 to 40 years
Vehicles	5 to 8.5 years
Furniture and equipment	5 to 15 years

#### **Client Rents and HUD Rent Subsidy**

Cornerstone Housing North, Inc.'s rents are approved on an annual basis by the Department of Housing and Urban Development. Rental increases are prohibited without such approval. The clients are charged rent equal to 30% of their income less adjustments allowed by the Department of Housing and Urban Development. Rent subsidies are received from the Department of Housing and Urban Development for the difference between the allowed rents and the amounts received from the clients.

#### **Refundable Advances**

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services or expenditures are performed or incurred. Funds received in advance of grantor conditions being met aggregated \$197,548 and \$233,329 as of June 30, 2017 and 2016, respectively.

#### **Nonprofit tax status**

The Organization is a *not-for-profit* Section 501(c)(3) organization in accordance with the Internal Revenue Code. It has been classified as an Organization that is not a private foundation under the Internal Revenue Code and qualifies for a charitable contribution deduction for individual donors. The Organization files information returns in the United States. The Organization's Federal Form 990 (Return of Organization Exempt from Income Tax), is subject to examination by the IRS, generally for three years after it is filed. The Organization is no longer subject to examinations by tax authorities for years prior to 2013.

The Organization follows FASB ASC, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. The Organization does not believe they have taken uncertain tax positions, therefore, a liability for income taxes associated with uncertain tax positions has not been recognized.



Cornerstone Housing North, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined the Organization to be other than a private foundation within the meaning of Section 509(a).

#### **Retirement plan**

The Organization maintains a tax-sheltered annuity plan under the provisions of Section 403(b) of the Internal Revenue Code. All employees are eligible to contribute to the plan beginning on the date they are employed. Each employee may elect salary reduction agreement contributions in accordance with limits allowed in the Internal Revenue Code. Employer contributions are at the Organization's annual discretion. In January 2013, employer contribution payments ceased, therefore as of June 30, 2017 and 2016, there were no discretionary contributions recorded. Further information can be obtained from the Organization's 403(b) audited financial statements.

#### **Donated services and goods**

Contributions of donated services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

Contributed noncash assets are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of noncash assets are recorded as unrestricted support.

#### **Donated property and equipment**

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

#### **Promises to Give**

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at the net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.



Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

As of June 30, 2017 and 2016, there were promises to give that were absent of donor stipulations, but restricted in regards to timing, and therefore classified as temporarily restricted in the amount of \$205,804 and \$229,419, respectively. This amount was included in grants and contracts on the Consolidated Statement of Activities.

#### **Use of estimates**

The presentation of financial statements in conformity accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### **Fair Value of Financial Instruments**

Accounting Standards Codification No. 825 (ASC 825), *Disclosures of Fair Value of Financial Instruments*, requires the Organization to disclose fair values of its financial instruments. The carrying amount of the Organization's financial instruments which consists of cash, accounts receivable, deposits and accounts payable, approximate fair value because of the short-term 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 in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

**Program salaries and related expenses** are allocated to the various programs and supporting services based on actual or estimated time employees spend on each function as reported on a timesheet.

**Workers Compensation expenses** are charged to each program based upon the classification of each employee and allocated to the various program based upon the time employees spend on each function as noted above.

**Paid Leave** is charged to a leave pool and is allocated to each program as a percentage of total salaries.

**Fringe Benefits** are charged to a Fringe Benefit Pool. These expenses include employer payroll taxes, pension expenses, health and dental insurance and unemployment compensation. The pool is allocated to each program based upon a percentage of salaries.

**Depreciation expense** is allocated to each program based upon specific assets used by the program and is reported as depreciation expense on the statements of functional expenses.

**Other occupancy expenses** are applicable to assets which are used by multiple programs. Buildings are primarily charged to the benefiting program based upon an analysis of square footage. Costs related to a building include depreciation, insurance, utilities, building maintenance, etc. These costs are reported as space costs on the statements of functional expenses.

**Insurance:** automobile insurance is allocated to programs based on vehicle usage; building liability insurance is allocated to programs based on square footage of the buildings; and insurance for furniture and equipment is allocated to programs using the book basis of the insured assets.

**The remaining shared expenses** are charged to an Indirect Cost Pool and are allocated to each program based upon a percentage of program expenses. The expenses include items such as administrative salaries, general liability insurance, administrative travel, professional fees and other expenses which cannot be specifically identified and charged to a program.

The Organization submits an indirect cost rate proposal for the paid leave, fringe benefits and other indirect costs to the U.S. Department of Health and Human Services. The proposal effective for the fiscal year beginning July 1, 2016 received provisional approval and is effective until amended at a rate of 12.7%. Per the agreement with the U.S. Department of Health and Human Services, the Organization's final rate for the year ended June 30, 2016 was 12.5%.

#### **Advertising policy**

The Organization uses advertising to inform the community about the programs it offers and the availability of services. Advertising is expensed as incurred. The total cost of advertising for the years ended June 30, 2017 and 2016 was \$26,456 and \$27,769, respectively.

#### **NOTE 2. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash on hand, funds on deposit with financial institutions, and investments with original maturities of three months or less. At year end and throughout the year, the Organization's cash balances were deposited with multiple financial institutions. At June 30, 2017, the balances in interest and non-interest-bearing accounts were insured by the FDIC up to \$250,000. At June 30, 2017, there was approximately \$665,000 of deposits held in excess of the FDIC limit. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents and considers this a normal business risk.

### **Cash Restrictions**

The Organization is required to maintain a deposit account with a bank as part of the loan security agreement disclosed at **Note 6**. The required balance in the account is \$52,497 and is restricted from withdrawal except to make payments of debt service or as approved by the US Department of Agriculture.

Amounts withdrawn to make payments of debt service must be replenished with monthly deposits until the maximum required deposit balance is achieved. The balance as of June 30, 2017 and 2016 was \$19,611 and \$15,372, respectively. The Organization was not in compliance with this requirement; however, in May 2013, the client began making the required monthly deposits. The Organization has made all of their scheduled deposits for the years ended June 30, 2017 and 2016. These amounts are included in restricted cash on the Statements of Financial Position.

The Organization is required to maintain a deposit account with another bank as part of a bond issue (see bond payable in **Note 6**). The required balance in the account is \$173,817 and is equal to the interest payments on the bond for a 12-month period. The balance as of June 30, 2017 and 2016 was \$187,095 and \$186,908, respectively, and the Organization was in compliance with this requirement. These amounts are included in restricted cash on the Statements of Financial Position.

The Organization maintains a deposit account on behalf of clients who participate in the Guardianship Services Program. The balance in the account is restricted for use on behalf of these clients and an offsetting liability is reported on the financial statements as other current liabilities. The total current liability related to this restriction at June 30, 2017 and 2016 was \$642,308 and \$509,095, respectively. These amounts are included in other liabilities on the Statements of Financial Position. The total restricted cash within this account at June 30, 2017 and 2016 was \$642,308 and \$503,888, respectively, and is included in the restricted cash balance on the Statements of Financial Position. The Organization was assessed a fee of \$5,244 related to the unauthorized use of these funds in prior years. The final assessed fee of \$5,207 was paid by the Organization during the year ended June 30, 2017.

Certain cash accounts related to Cornerstone Housing North, Inc. is restricted for certain uses in the Organization under rules and regulations prescribed by the Department of Housing and Urban Development. The total amount restricted at June 30, 2017 and 2016 was \$93,673 and \$81,583, respectively.

### **NOTE 3. INVENTORY**

In 2017 and 2016, inventory included weatherization materials which had been purchased in bulk. These items are valued at the most recent cost. A physical inventory is taken annually. Cost is determined using the first-in, first-out (FIFO) method. Inventory at June 30, 2017 and 2016, consists of weatherization materials totaling \$65,641 and \$88,880, respectively.

**NOTE 4. ACCRUED EARNED TIME**

For the years ending June 30, 2017 and 2016, employees of the Organization were eligible to accrue vacation for a maximum of 160 hours and 200 hours, respectively. At June 30, 2017 and 2016, the Organization had accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$242,545 and \$294,243, respectively.

**NOTE 5. PROPERTY**

Property consists of the following at June 30, 2017:

	<u>Capitalized Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Building	\$10,679,707	\$ 3,428,094	\$ 7,251,613
Equipment	2,400,922	1,889,376	511,546
Land	<u>463,840</u>	<u>-</u>	<u>463,840</u>
	<u>\$13,544,469</u>	<u>\$ 5,317,470</u>	<u>\$ 8,226,999</u>

Property consists of the following at June 30, 2016:

	<u>Capitalized Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Building	\$10,682,236	\$ 3,325,948	\$ 7,356,288
Equipment	2,237,057	1,726,978	510,079
Land	<u>468,767</u>	<u>-</u>	<u>468,767</u>
	<u>\$13,388,060</u>	<u>\$ 5,052,926</u>	<u>\$ 8,335,134</u>

The Organization has use of computers and equipment which are the property of state and federal agencies under grant agreements. The equipment, whose book value is immaterial to the financial statements, is not included in the Organization's property and equipment totals.

Depreciation expense for the years ended June 30, 2017 and 2016 was \$491,254 and \$471,299, respectively.

The Organization also had building refinancing costs of \$17,730 during the year ended June 30, 2014. Amortization expense and accumulated amortization for the year ended June 30, 2017 was \$887 and \$4,139, respectively. Amortization expense and accumulated amortization for the year ended June 30, 2016 was \$887 and \$3,252, respectively.

**NOTE 6. LONG TERM DEBT**

The long term debt of the Organization as of June 30, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Note payable with the USDA requiring 360 monthly installments of \$1,496, including interest at 4.5% per annum. Secured by the general business assets. Final installment due June 2024.	\$ 108,127	\$ 120,899
Note payable with the USDA requiring 360 monthly installments of \$1,664, including interest at 5% per annum. Secured by general business assets. Final installment due January 2027.	150,935	163,026
Note payable with the USDA requiring 360 monthly installments of \$292, including interest at 4.75% per annum. Secured by general business assets. Final installment due April 2030.	29,633	31,688
Note payable with the USDA requiring 360 monthly installments of \$74, including interest at 4.75% per annum. Secured by general business assets. Final installment due June 2029.	8,103	8,593
Note payable with a bank requiring 120 monthly installments of \$3,033, including interest at 6.75% per annum. Secured by first mortgages on two commercial properties. Final installment due April 2021.	368,428	386,831
Note payable with a bank requiring 60 monthly installments of \$459, including interest at 5% per annum. This note was an unsecured line of credit that was converted to a term loan during the year ended June 30, 2016. Final installment due April 2021. See <b>Note 8</b> .	19,144	23,585
Note payable to a non-profit organization (related party), monthly principal payments of \$1,533. Final installment due October 2018. A portion of the note payable was forgiven by the non-profit organization during the year ended June 30, 2017. See <b>Note 16</b> .	24,533	84,563

Note payable to a financing company requiring 72 monthly installments of \$312, including interest at 5.49% per annum. Secured by the Organization's vehicle. Final installment due August 2021.	13,934	16,832
Note payable to a financing company requiring 72 monthly installments of \$313, including interest at 5.54% per annum. Secured by the Organization's vehicle. Final installment due July 2021.	13,715	16,628
Note payable to a financing company requiring 60 monthly installments of \$143, including interest at 5.99% per annum. Secured by the Organization's vehicle. Final installment due November 2020.	5,306	6,666
Note payable to a financing company requiring 72 monthly installments of \$248, including interest at 6.10% per annum. Secured by the Organization's vehicle. Final installment due February 2023.	14,207	-
Note payable with a bank requiring 18 monthly installments of \$4,518, including interest at 4.16% per annum. Secured by second mortgage on commercial property. Final balloon payment due December 2017.	417,421	440,653
Bond payable with a bank requiring monthly installments of \$14,485, including interest of 2.75% plus the bank's internal cost of funds multiplied by 67% with an indicative rate as of March 2017 of 3.28%. Secured by first commercial real estate mortgage on various properties and assignments of rents at various properties. Final installment due August 2040.	2,801,159	2,896,533
Cornerstone Housing North, Inc. capital advance due to the Department of Housing and Urban Development. This capital advance is not subject to interest or principle amortization and will be forgiven after 40 years, or on August 1, 2047.	1,617,600	1,617,600

Cornerstone Housing North, Inc. mortgage payable due to New Hampshire Housing Finance Authority. The mortgage is not subject to interest or principle amortization. Payments are deferred for 40 years, final payment due in August 2047.

	<u>250,000</u>	<u>250,000</u>
	5,842,245	6,064,097
Less current portion due within one year	<u>(587,809)</u>	<u>(197,181)</u>
	<u>\$ 5,254,436</u>	<u>\$ 5,866,916</u>

The scheduled maturities of long term debt as of June 30, 2017 were as follows:

<u>Years ending June 30</u>	<u>Amount</u>
2018	\$ 587,809
2019	151,765
2020	157,927
2021	446,827
2022	133,253
Thereafter	<u>4,364,664</u>
	<u>\$ 5,842,245</u>

As described at **Note 2**, the Organization is required to maintain a reserve account with a bank for the first four notes payable listed above. In May 2013, the Organization began making monthly deposits to the reserve account, but had not yet accumulated the required balance. Failure to meet this requirement may be construed by the Government to constitute default; however, the awarding agency is aware of this issue and has not made a request for advanced payment.

**NOTE 7. CAPITAL LEASE OBLIGATIONS**

During the year ended June 30, 2016, the Company leased a phone system and copier under the terms of capital leases, expiring in November 2020 and March 2021, respectively. During the year ended June 30, 2017, the Company leased an additional copier under the terms of a capital lease, expiring in May 2021. The assets and liabilities under the capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The assets are depreciated over their estimated lives.

The obligations included in capital leases at June 30, 2017 and 2016, consisted of the following:

	<u>2017</u>	<u>2016</u>
Lease payable to a financing company with monthly installments of \$208 for principal and interest at 9.5% per annum. The lease is secured by the phone system and will mature in November 2020.	\$ 7,246	\$ 8,823
Lease payable to a financing company with monthly installments of \$122 for principal and interest at 8.841% per annum. The lease is secured by a copier and will mature in March 2021.	4,570	5,651
Lease payable to a financing company with monthly installments of \$122 for principal and interest at 8.918% per annum. The lease is secured by a copier and will mature in May 2021.	<u>4,911</u>	<u>-</u>
	16,727	14,474
Less current portion	<u>(4,057)</u>	<u>(2,718)</u>
	<u>\$ 12,670</u>	<u>\$ 11,756</u>

The scheduled maturities of capital lease obligations as of June 30, 2017 were as follows:

<u>Years ending June 30</u>	<u>Amount</u>
2018	\$ 4,057
2019	4,445
2020	4,870
2021	<u>3,355</u>
	<u>\$ 16,727</u>



**NOTE 8. DEMAND NOTE PAYABLE**

The Organization has available a \$750,000 line of credit with TD Bank which is secured with real estate mortgages and assignments of leases and rents on various properties as disclosed in the line of credit agreement. Borrowings under the line bear interest at 5.00% per annum, and totaled \$400,000 and \$600,000 at June 30, 2017 and 2016, respectively. The line is subject to renewal each January.

The Organization was issued an unsecured revolving line of credit in 2014 with the New Hampshire Department of Administration Services. On June 30, 2017 and 2016, the outstanding debt totaled \$271,434 and \$263,867, respectively, which included accrued interest of \$14,916 and \$13,867, respectively. During the year ended June 30, 2017 there was an amendment to the original agreement. The Organization is not required to make payments of interest or principal prior to maturity. The unsecured revolving line of credit matures in November 2019.

**NOTE 9. LEASES**

**Operating Leases**

The Organization has entered into numerous lease commitments for space. Leases under non-cancelable lease agreements have various starting dates, lengths, and terms of payment and renewal. Additionally, the Organization has several facilities which are leased on a month to month basis. For the years ended June 30, 2017 and 2016, the annual rent expense for leased facilities was \$161,025 and \$158,499, respectively.

Minimum future rental payments under non-cancelable operating leases having initial terms in excess of one year as of June 30, 2017, are as follows:

<u>Years ending June 30</u>	<u>Amount</u>
2018	\$ 136,428
2019	88,309
2020	43,441
2021	39,611
2022	<u>3,301</u>
	<u>\$ 311,090</u>

**NOTE 10. IN-KIND CONTRIBUTIONS**

The Organization records the value of in-kind contributions according to the accounting policy described in **Note 1**. The Head Start, Transportation and Elder Programs rely heavily on volunteers who donate their services to the Organization. These services are valued based upon the comparative market wage for similar paid positions.

The Organization is also the beneficiary of a donation of in kind in the form of below market rent for some of the facilities utilized by the Head Start and Elder Programs. The value of the in-kind rent is recorded at the difference between the rental payment and the market rate for the property based upon a recent appraisal.

Many other individuals have donated significant amounts of time to the activities of the Organization. The financial statements do not reflect any value for these donated services since there is no reliable basis for making a reasonable determination.

#### **NOTE 11. CONCENTRATION OF RISK**

Tri-County Community Action Program, Inc. receives a majority of its support from federal and state governments. For the years ended June 30, 2017 and 2016, approximately \$12,220,000 (72%) and \$12,200,000 (72%), respectively, of the Organization's total revenue was received from federal and state governments. If a significant reduction in the level of support were to occur, it would have a significant effect on the Organization's programs and activities.

Cornerstone Housing North, Inc. receives a large majority of its support from the U.S. Department of Housing and Urban Development. For the years ended June 30, 2017 and 2016 approximately 69% and 66%, respectively, of the Organizations total revenue was derived from the U.S. Department of Housing and Urban Development. In the absence of additional revenue sources, the future existence of Cornerstone Housing North, Inc. is dependent upon the funding policies of the U.S. Department of Housing and Urban Development.

The majority of Cornerstone Housing North, Inc.'s assets are apartment projects, for which operations are concentrated in the elderly person's real estate market. In addition, the Organization operates in a regulated environment. The operation of the Organization is subject to administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the administrative burden, to comply with the change.

**NOTE 12. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following specific program services as of June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Temporary Municipal Funding	\$ 205,804	\$ 229,419
10 Bricks Shelter Funds	141,190	135,257
Restricted Buildings	94,239	99,313
FAP	87,991	-
Homeless Programs	36,856	43,277
NH Charitable Foundation Grant, Mt. Jasper	32,653	32,653
Loans - HSGP	24,261	-
AOD - IDN Capacity Fund	15,066	-
Service Link	12,123	19,135
FAP/EAP	11,735	12,167
Loans - HHARLF	10,884	-
USDA	7,252	-
L. CHIP -- Brown Co. House	8,236	22,314
Donations to Mahoosuc Trail	6,842	6,842
RSVP Program Funds	3,675	13,637
Donations to Maple Fund	1,246	1,825
Julien Fund (AOD)	1,175	775
Head Start	973	875
Angelias Fund (AOD)	235	235
EAP	164	68,143
Loan Programs	-	37,427
Carroll County Transit Program	-	682
Coos County Transit Program	-	586
Senior Meals	-	53,381
	<u>                    </u>	<u>                    </u>
Total temporarily restricted net assets	<u>\$ 702,600</u>	<u>\$ 777,943</u>

**NOTE 13. COMMITMENTS AND CONTINGENCIES****Grant Compliance**

The Organization received funds under several federal and state grants. Under the terms of the grants the Organization is required to comply with various stipulations including use and time restrictions. If the Organization was found to be noncompliant with the provisions of the grant agreements, the Organization could be liable to the grantor or face discontinuation of funding.

### **Environmental Contingencies**

On March 30, 2009, the Organization's Board of Directors agreed to secure ownership of a 1.2-acre site located in Berlin, New Hampshire. There are 2 buildings on this site designated as the East Wing and West Wing Buildings which were formerly used as a research and development facility for the Berlin Mills Company.

The exterior soil and interior parts of the East Wing Building contained contaminants which required environmental remediation. In a letter dated May 2, 2012, the State of New Hampshire Department of Environment Services (the Department) noted that the remedial actions for the exterior soils and parts of the East Wing Building had been completed to the Department's satisfaction.

In addition, the Department noted that the contaminants related to the West Wing Building did not pose an exposure hazard to site occupants, area residents, and the environment provided the West Wing Building is maintained to prevent further structural deterioration. If further deterioration occurs and contaminants are released into the environment, the Organization could be required to take additional action including containment and remediation.

### **NOTE 14. RELATED PARTY TRANSACTIONS**

As disclosed in **Note 6**, the Organization has a loan payable to a non-profit organization which also provides pass-through state and federal funding for some of the Organization's programs. See **Note 6** and **Note 16** for terms of the note payables and related forgiveness of debt. Total notes payable to related parties for the years ended June 30, 2017 and 2016 was \$24,533 and \$84,563, respectively.

### **NOTE 15. RESIDUAL RECEIPTS ACCOUNT**

Cornerstone Housing North, Inc.'s use of the residual receipts account is contingent upon HUD's prior written approval. During the year ended June 30, 2016, Cornerstone Housing North, Inc. was required to return to HUD the balance in the residual receipts account in excess of \$250 per unit. This resulted in a refund to HUD of \$1,184. This was recorded as a miscellaneous financial expense on the Statements of Activities during the year ended June 30, 2016.

### **NOTE 16. FORGIVENESS OF DEBT**

During the year ended June 30, 2017, the Organization realized forgiveness of debt income in connection with a note payable to a non-profit organization. Forgiveness of debt income totaled \$25,912 for the year ended June 30, 2017.

**NOTE 17. 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. Non-recognized 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 November 10, 2017, the date the financial statements were available to be issued.

Effective October 1, 2017, the Organization is no longer responsible for the Alcohol & Other Drugs (AOD) program. The grants for the program have been transferred to North Country Health Consortium (NCHC), as they are taking over the program. Temporarily restricted net assets related to AOD as of June 30, 2017 will be either released for fiscal year 2018 operations or returned subsequent to the transfer of the program. Subsequent to year end, the Friendship House was sold to Affordable Housing Education and Development (AHEAD).

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NAME	GRANTOR'S IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<b>U.S. Department of Health and Human Services</b>				
Head Start	93.600		01CH10000-02-00	\$ 1,265,383
Head Start	93.600		01CH10000-03-00	906,610
			TOTAL	<u>2,171,993</u>
Low-Income Home Energy Assistance	93.568	State of New Hampshire Office of Energy and Planning	G-16B1NHLEJA	166,774
Low-Income Home Energy Assistance	93.568	State of New Hampshire Office of Energy and Planning	G-16B1NHLEJA	4,200,295
Low-Income Home Energy Assistance-HRRP	93.568	State of New Hampshire Office of Energy and Planning	G-16B1NHLEJA	296,525
Low-Income Home Energy Assistance	93.568	State of New Hampshire Office of Energy and Planning	G-17B1NHLEJA	289,130
			TOTAL	<u>4,922,724</u>
<b>AGING CLUSTER</b>				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (SEAS)	93.044	State of New Hampshire Office of Energy and Planning	15AANH3SP	8,046
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (SEAS)	93.044	State of New Hampshire Office of Energy and Planning	17AANH3SP	1,622
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (Sr Wheels)	93.044	State of New Hampshire Department of Health and Human Services	512-500352	81,392
			TOTAL	<u>91,060</u>
Special Programs for the Aging - Title III, Part C - Nutrition Services (Congregate & HD Meals)	93.045	State of New Hampshire Department of Health and Human Services	541-500383	248,431
Nutrition Services Incentive Program (NSIP)	93.053	State of New Hampshire Department of Health and Human Services	NONE	99,251
			CLUSTER TOTAL	<u>436,742</u>
Community Services Block Grant	93.569	State of New Hampshire Department of Health and Human Services	102-500731	670,856
<b>TANF CLUSTER</b>				
Temporary Assistance for Needy Families (NHEP Workplace Success)	93.558	Southern New Hampshire Services, Inc.	13-DHHS-BWW-CSP-05	256,924
Temporary Assistance for Needy Families (JARC)	93.558	State of New Hampshire Department of Health and Human Services	102-500731	24,855
			CLUSTER TOTAL	<u>281,779</u>
Preventative Health & Human Services Block Grant - Oral Health	93.758	State of New Hampshire Department of Health and Human Services	90072003	11,286
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services (Sr Oral Health)	93.043	State of New Hampshire Department of Health and Human Services	102-500731	613
National Family Caregiver Support, Title III, Part E (Family Caregiver)	93.052	State of New Hampshire Department of Health and Human Services	570-500928	19,228
<b>MEDICAID CLUSTER</b>				
Medical Assistance Program (Options Counseling and I&R #7)	93.778	State of New Hampshire Department of Health and Human Services	650-500398	34,863
Social Services Block Grant (Title XX I&R)	93.667	State of New Hampshire Department of Health and Human Services	545-500387	9,348
Social Services Block Grant	93.667	State of New Hampshire Department of Health and Human Services	544-500386	70,750
Social Services Block Grant (Title XX HD miles)	93.667	State of New Hampshire Department of Health and Human Services	541-500383	2,260
			TOTAL	<u>82,358</u>
Affordable Care Act - Aging and Disability Resource Center (Options Counseling)	93.517	State of New Hampshire Department of Health and Human Services	550-500398	2,197
State Health Insurance Assistance Program	93.324	State of New Hampshire Department of Health and Human Services	102-500731	3,373
Special Programs for the Aging - Title IV and Title II - Discretionary Projects (SMPP)	93.048	State of New Hampshire Department of Health and Human Services	102-500731	10,217
Medicare Enrollment Assistance Program (MIPPA)	93.071	State of New Hampshire Department of Health and Human Services	102-500731	6,478
Preventative HHS Block Grant & Injury Prevention and Control Research	93.136 & 93.758	State of New Hampshire Coalition against Domestic and Sexual Violence	NONE	6,089
Block Grants for Prevention and Treatment of Substance Abuse	93.959	State of New Hampshire Division of Public Health Services	05-95-49-491510	269,231
Projects for Assistance in Transition from Homelessness (PATH)	93.150	State of New Hampshire Bureau of Homelessness and Housing	500731-102	79,832
<b>Total U.S. Department of Health and Human Services</b>				<b>\$ 8,998,759</b>

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NAME	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
<b>U.S. Department of Energy</b>				
Weatherization Assistance for Low-Income Persons	81.042	State of New Hampshire Governor's Office of Energy & Community Service	EE0006169	\$ 270,252
Total U.S. Department of Energy				\$ 270,252
<b>U.S. Corporation for National and Community Service</b>				
Retired and Senior Volunteer Program	94.002		16SRANH001	\$ 83,047
Total U.S. Corporation for National and Community Service				\$ 83,047
<b>U.S. Department of Agriculture</b>				
<b>SNAP CLUSTER</b>				
Supplemental Nutrition Assistance Program (food stamps)	10.551		NONE	\$ 2,428
<b>FOOD DISTRIBUTION CLUSTER</b>				
Emergency Food Assistance Program (Administration Costs)	10.568	BMCAP	81750000	4,600
Child and Adult Care Food Program	10.558	State of New Hampshire Department of Education	NONE	128,905
Total U.S. Department of Agriculture				\$ 135,933
<b>U.S. Department of Homeland Security</b>				
Emergency Management Performance Grants (FEMA)	97.042			\$ 18,205
Total U.S. Department of Homeland Security				\$ 18,205
<b>U.S. Department of Justice</b>				
Grants to Encourage Arrest Program (GTEAP)	16.590	State of New Hampshire Coalition against Domestic and Sexual Violence	2014-WE-AX-0036	\$ 4,356
Crime Victim Assistance (VOCA)	16.575	State of New Hampshire Coalition against Domestic and Sexual Violence	NONE	106,708
Sexual Assault Services Formula Program (SASP)	16.017	State of New Hampshire Coalition against Domestic and Sexual Violence	2016-KF-AX-0019	14,214
Total U.S. Department of Justice				\$ 125,278
<b>U.S. Department of Transportation</b>				
Formula Grants for Rural Areas (Section 5311)	20.509	State of New Hampshire Department of Transportation	NH-18-X046	\$ 322,910
<b>TRANSIT SERVICES PROGRAMS CLUSTER</b>				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	State of New Hampshire Department of Transportation	NH-65-X004	55,362
Enhanced Mobility of Seniors and Individuals with Disabilities (5310 POS, NCC)	20.513	State of New Hampshire Department of Transportation	NH-16-X043	16,841
			CLUSTER TOTAL	72,203
Total U.S. Department of Transportation				\$ 395,113
<b>U.S. Department of Housing and Urban Development</b>				
Emergency Solutions Grant Program	14.231	State of New Hampshire Department of Health and Human Services	102-500731	\$ 31,317
Continuum of Care Program (HOIP)	14.267	State of New Hampshire Department of Health and Human Services	NH0096L1T001500	130,822
Community Development Block Grant States Program & Non-Entitlement Grants in Hawaii	14.228	Grafton County (NH Community Development Finance Authority)	16-405-CDPF	25,000
Total U.S. Department of Housing and Urban Development				\$ 187,139

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NAME	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
<b>U.S. Department of Labor</b>				
<b>WIA/WIOA CLUSTER</b>				
WIA/WIOA Adult Program	17.258	Southern New Hampshire Services, Inc.	2015-0004	\$ 88,005
WIA/WIOA Dislocated Worker Formula Grants	17.278	Southern New Hampshire Services, Inc.	2015-0004	<u>50,187</u>
Total U.S. Department of Labor.			<b>CLUSTER TOTAL</b>	<b>\$ 136,192</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b><u>\$ 10,349,918</u></b>

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal grant activity of Tri-County Community Action Program, Inc. under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Tri-County Community Action Program, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE B - 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE C - INDIRECT RATE**

Tri-County Community Action Program Inc. has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Tri-County Community Action Program, Inc.  
Berlin, 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 financial statements of Tri-County Community Action Program, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 10, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Tri-County Community Action Program 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 Tri-County Community Action Program Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Tri-County Community Action Program Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tri-County Community Action Program Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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*

November 10, 2017  
North Conway, New Hampshire

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Tri-County Community Action Program, Inc.  
Berlin, New Hampshire

**Report on Compliance for Each Major Federal Program**

We have audited Tri-County Community Action Program Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tri-County Community Action Program Inc.'s major federal programs for the year ended June 30, 2017. Tri-County Community Action Program 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 Tri-County Community Action Program 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 the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tri-County Community Action Program 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 of Tri-County Community Action Program Inc.'s compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Tri-County Community Action Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

### **Report on Internal Control over Compliance**

Management of Tri-County Community Action Program, 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 Tri-County Community Action Program 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tri-County Community Action Program, 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Leone, McDonnell & Roberts  
Professional Association*

November 10, 2017  
North Conway, New Hampshire

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

1. The auditors' report expresses an unmodified opinion on the financial statements of Tri-County Community Action Program, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Tri-County Community Action Program, 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 during the audit are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance*.
5. The auditors' report on compliance for the major federal award programs for Tri-County Community Action Program, Inc. expresses an unmodified opinion on all major programs.
6. No audit findings that are required to be reported in accordance with 2 CFR 200.516(a) are reported in this Schedule.
7. The programs tested as major programs included:
  - U.S. Dept. of Health & Human Services, LIHEAP -- CFDA #93.568
  - U.S. Dept. of Health & Human Services, Aging Cluster -- CFDA #93.044, 93.045 and 93.053
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Tri-County Community Action Program, Inc. was determined to be a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None



# COMMUNITY ACTION

## TRI-COUNTY CAP

30 Exchange Street, Berlin, New Hampshire 03570

p: 603 752-7001 f: 603 752 7607

[www.tccap.org](http://www.tccap.org)

CEO: Robert G. Boschen, Jr.

COO: Jeanne L. Robillard

FD/Interim CFO: Randall S. Pilotte

### BOARD OF DIRECTORS FY2017

#### COÖS COUNTY

Board Chair  
Sandy Alonzo

Secretary  
Gary Coulombe

Treasurer  
Cathy Conway

#### CARROLL COUNTY

Anne Barber

Michael Dewar

Vice Chair  
Dino Scala

Karolina Brzozowska

#### GRAFTON COUNTY

Linda Massimilla

Tricia Garrison

Richard McLeod

Serving Coös, Carroll & Grafton Counties





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 Phone: 603-752-7001 Fax: 603-752-7607  
 www.tccap.org admin@tccap.org

CEO: Robert G. Boschen, Jr.  
 COO: Jeanne L. Robillard  
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## Key Personnel

PSH I

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Jeanne Robillard	CEO	\$115,000	0	0
Regan Pride	COO	\$67,000	0	0
Randall Pilotte	CFO	\$71,400	0	0
Dawn Ferringo	Division Director	\$53,000	0	0
Carolyn Towne	Program Manager	\$40,000	0	0
Lisa Snowman	Intervention/Prevention Specialist	\$31,200	0	0

Serving Coös, Carroll & Grafton Counties

