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STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF COMMUNITY BASED CARE SERVICES  
BUREAU OF ELDERLY & ADULT SERVICES

Nicholas A. Toumpas  
Commissioner

Diane Langley  
Director

129 PLEASANT STREET, CONCORD, NH 03301-3857  
603-271-9203 1-800-351-1888  
Fax: 603-271-4643 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

August 10, 2015

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

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Division of Community Based Care Services, Bureau of Elderly and Adult Services to enter into Agreements with the vendors listed below to provide to provide dental treatment to adults age sixty (60) and up in need of early or immediate intervention and who lack financial resources. No maximum client or service volume is guaranteed. Accordingly, the price limitation among all Agreements is \$27,886. The Agreements are effective upon the date of Governor Executive Council approval through September 30, 2016. 100% Federal Funds.

Vendor	Vendor #	Vendor Location
Easter Seals New Hampshire, Inc.	177204-B005	Manchester, NH
Families First of the Greater Seacoast	166629-B001	Portsmouth, NH
Goodwin Community Health	154703-B001	Somersworth, NH
Harbor Homes, Inc.	155358-B001	Nashua, NH
Mid-State Health Center	158055-B001	Plymouth, NH
Tri-County Community Action Program, Inc.	177195-B011	Tamworth, NH

Funds to support this request are anticipated to be available in the following account in State Fiscal Year 2016 and State Fiscal Year 2017 upon availability and continued appropriation of funds in the future operating budget, with authority to adjust encumbrances between State Fiscal Years through the Budget Office if needed and justified.

05-95-48-481010-8917 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: ELDERLY AND ADULT SERVICES, GRANTS TO LOCALS, ADM ON AGING GRANTS

Fiscal Year	Class/Object	Class Title	Total Amount
SFY 2016	102-500731	Contracts for Program Services	\$22,309
SFY 2017	102-500731	Contracts for Program Services	\$5,577
			\$27,886

**EXPLANATION**

Approval of these contracts will allow the Department to continue the Oral Health program for seniors. The Department's contracted hygienist conducts oral health screenings of older adults in community-based settings, including senior centers and meal sites. Based on screening results and a corresponding oral health questionnaire, individuals are identified who have pain, infection, severe

decay and/or suspicious lesions and who also do not have financial resources or dental insurance to help pay for treatment. Eligible individuals are then referred by the Department to one of these contracted dentists to receive needed dental care.

The dentist will be reimbursed according to a fixed fee schedule up to \$2,000 per individual. This fee schedule is based on the dental services and fees provided to adults in the Department of Health and Human Services Human Immunodeficiency Virus program.

The Department published a Request for Application for Licensed Dentists and Oral Surgeons (RFA #16-DHHS-DCBCS-BEAS-RFA-01) on the Department of Health and Human Services website February 10, 2015 to March 23, 2015. The Department received six applications. The applications were reviewed by a program Administration and Program Specialist in the Bureau of Elderly and Adult Services. All six applications were selected. (See attached Summary Score Sheet).

The Contract contains language that Department reserves the right to renew the contract for up to two (2) additional years, subject to the continued availability of funds, satisfactory performance of contracted services and Governor and Executive Council approval.

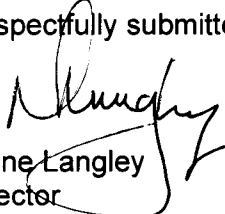
Should the Governor and Executive Council not approve this request, then adults age 60 and older with immediate dental need but without access to care will continue to face barriers to dental treatment and remain at high risk for compromised health. A growing body of evidence links dental disease and periodontal infection to diabetes, heart disease and stroke. Oral health interventions could improve the oral health of older adults, support their well-being and prevent the need for more costly care.

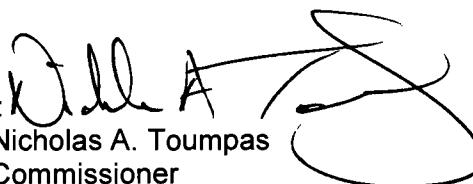
Area to be Served: Statewide

Source of Funds: 100% Federal from the United States Department of Health and Human Services, Administration for Community Living, Title III, Part D Disease Prevention and Health Promotion Services, Catalog of Federal Domestic Assistance (CFDA) #93.043 and Federal Award Identification 15AANHT3PH.

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

Respectfully submitted,

  
Diane Langley  
Director

Approved by:   
Nicholas A. Toumpas  
Commissioner



**New Hampshire Department of Health and Human Services  
Office of Business Operations  
Contracts & Procurement Unit  
Summary Scoring Sheet**

Licensed Dentists and Oral Surgeons  
RFP Name

16-DHHS-DCBCS-BEAS-RFA-01  
RFP Number

**Bidder Name**

1. Easter Seals of New Hampshire, Inc.
2. Families First of the Greater Seacoast
3. Goodwin Community Health
4. Harbor Homes, Inc.
5. Mid-State Health Center
6. Tri-County Community Action Program, Inc.

Maximum Points	Actual Points
100	80
100	97
100	78
100	72
100	95
100	70

**Reviewer Names**

1. Tracey Tarr, Administrator
2. Margaret Morril, Program Specialist
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.


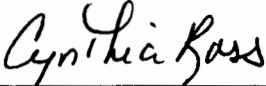
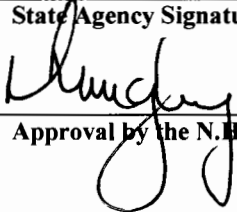
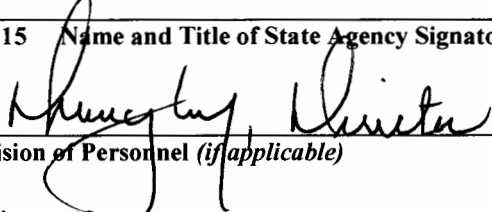
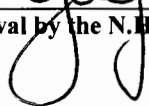
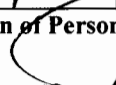
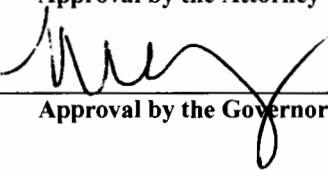
Subject: Senior Oral Health Program

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> Department of Health & Human Services		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301	
<b>1.3 Contractor Name</b> Easter Seals New Hampshire, Inc.		<b>1.4 Contractor Address</b> 555 Auburn St Manchester NH 03101	
<b>1.5 Contractor Phone Number</b> 603-623-8863	<b>1.6 Account Number</b> 05-95-48-481010-8917-102-500731	<b>1.7 Completion Date</b> September 30, 2016	<b>1.8 Price Limitation</b> \$27,886.
<b>1.9 Contracting Officer for State Agency</b> Eric D. Borrin		<b>1.10 State Agency Telephone Number</b> (603) 271-9558	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> Elin Treanor, CFO	
<b>1.13 Acknowledgement:</b> State of <u>NH</u> , County of <u>Hillsborough</u> On <u>8/23/2015</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.			
<b>1.13.1 Signature of Notary Public or Justice of the Peace</b> [Seal] 			
<b>1.13.2 Name and Title of Notary or Justice of the Peace</b> CYNTHIA ROSS, Notary Public My Commission Expires March 12, 2019			
<b>1.14 State Agency Signature</b> 		<b>1.15 Name and Title of State Agency Signatory</b> 	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By:  Director, On: 			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution)</b> By:  Megan A. Lyle - Attorney On: <u>8/27/15</u>			
<b>1.18 Approval by the Governor and Executive Council</b> By: _____ On: _____			

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

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

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

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

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.  
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.  
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

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

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

**7. PERSONNEL.**

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

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

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

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.
- 8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
  - 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
  - 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
  - 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
  - 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

**9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

- 9.1 As used in this Agreement, the word “data” shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
- 9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
- 9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.


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

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

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

**14. INSURANCE.**

- 14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
  - 14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and
  - 14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
- 14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.
- 14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

Contractor Initials:   
Date: 8/3/15

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

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

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

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

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

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

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



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**Scope of Services**

**1. SCOPE OF SERVICES:**

1.1. The Contractor will:

1.1.1. Provide dental treatments to adults ages 60 and up who need early or immediate intervention and lack the financial resources for dental treatment, and who reside in any city or town in New Hampshire, as follows:

1.1.1.1. Accept client referrals from the Department;

1.1.1.2. Complete an oral health diagnosis for each client;

1.1.1.3. Diagnose oral health issues and problems and develop a dental treatment plan based on the client's identified oral health and/or treatment needs;

1.1.1.4. Schedule and remind clients of their dental appointments;

1.1.1.5. Perform, with the individual's approval, dental services and treatment in accordance with the Exhibit B-1 Dental Fee Schedule up to a \$2,000 limit per individual patient for the contract period;

1.1.1.6. Follow up with clients to ensure their pain or infection was alleviated after receiving dental treatment(s);

1.1.1.7. Provide client level data in a secure, electronic format as specified by the Department for completion of required reports; and

**2. Licensing Requirements:**

The Contractor will ensure that the dentist(s) performing services under this agreement, including any subcontract agreements, must possess a current dental license issued by the State of New Hampshire Board of Dental Examiners.

**3. Cultural Considerations:**

The Contractor will 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.

**4. Criminal Background Check:**

Contractor shall conduct a New Hampshire criminal background check for a potential applicant for employment or volunteer, funded under this contract.





Exhibit A

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**5. DHHS' Bureau of Elderly and Adult Services' (BEAS) State Registry:**

Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49 Registry, VII, which requires that all employers of programs that are licensed, certified, or funded by the NH Department of Health and Human Services to provide services, submit the name of prospective employees who may have client contact for review against the registry of founded reports of abuse, neglect, and exploitation of incapacitated adults.

**6. Contract Monitoring**

6.1. The Contractor will:

- 6.1.1. Participate in an "on-site review," conducted by the Department, of the records of clients who received dental care and treatment in the program.
- 6.1.2. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.
- 6.1.3. Ensure the Department is provided with access that includes but is not limited to:
  - 6.1.3.1. Data;
  - 6.1.3.2. Financial records;
  - 6.1.3.3. Scheduled access to Contractor work sites/locations/work spaces and associated facilities;
  - 6.1.3.4. Unannounced access to Contractor work sites/locations/work spaces and associated facilities;
  - 6.1.3.5. Scheduled phone access to Contractor principals and staff.

*Remainder of Page Left Intentionally Blank*



## Exhibit B

### Method and Conditions Precedent to Payment

1. Price Limitation. This Agreement is one of multiple Agreements that will serve the Senior Oral Health Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
2. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Department shall reimburse the Contractor for actual dental service(s) provided by the contractor to eligible individuals, resulting from referrals made by the Department and in accordance with Exhibit A, Scope of Services.
3. Reimbursement shall be based on the Senior Oral Health Program, Dental Fee Schedule, identified in Exhibit B-1.
4. Reimbursement Limits per Patient. Reimbursement is limited to \$2,000 per patient for during the Agreement period, depending on the availability of funding. Any additional treatment that exceeds the limit per patient shall be at the sole expense of the participating dental practice or clinic.
5. Contract dentists shall complete and submit Dental Claim Forms provided by the Bureau of Elderly and Adult Services for each client, due within 15 days from the date of treatment.  
Dental Claim forms shall be sent to:  
Bureau of Elderly and Adult Services  
Administrator, Community Programs and Long-Term Care  
129 Pleasant Street  
Concord, NH 03301
6. Notwithstanding anything to the contrary herein, the Contractor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State Law, rule or regulation applicable to the services provided, or if the said services have not been satisfactory completed in accordance with the terms and condition of this Agreement.
7. The funding source for this Agreement for Dental Services is 100% federal funds from the Administration for Community Living, Title III, Part D, Disease Prevention and Health Promotion Services, CFDA 93.043. The Contractor agrees to provide the services in Exhibit A, Scope of Services in compliance with funding requirements.
8. The contractor shall have or secure a vendor number with the State of New Hampshire to receive payment from the DHHS.
9. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT). Exceptions to using EFT for payment shall be made upon prior approval of the BEAS Financial Manager or designee.



Exhibit B-1

**NH Bureau of Elderly and Adult Services, Older Adult Oral Health Program (ages 60+)  
Dental Fee Schedule as of February 2015**

Code	Procedure	Fee
D0120	Periodic oral evaluation	41.00
D0140	Limited oral evaluation	60.00
D0210	Intraoral-complete series	96.00
D0220	Intraoral-Periapical 1st film	15.00
D0230	Intraoral-Periapical each additional	10.00
D0270	Bitewings - Xray	17.00
D0272	Bitewings - two films	25.00
D0274	Bitewings - four films	45.00
D0330	Panoramic film	83.00
D2140	Amalgam - 1 surface	150.00
D2150	Amalgam - 2 surface	155.00
D2160	Amalgam - 3 surface	180.00
D2161	Amalgam - 4/4+ surface	200.00
D2330	Resin-1 surface anterior	131.00
D2331	Resin-2 surface anterior	143.00
D2332	Resin-3 surface anterior	147.00
D2335	Resin-4/4+ surface anterior	165.00
D2391	Resin-1 surface posterior	150.00
D2392	Resin-2 surface posterior	155.00
D2393	Resin-3 surface posterior	180.00
D2394	Resin-4/4+ surface posterior	200.00
D4341	Scaling and root planing (per quadrant)	100.00
D4355	Full mouth debridement	90.00
D5110	Complete denture-maxillary	800.00
D5120	Complete denture-mandibular	800.00
D5130	Immediate denture-maxillary	875.00
D5140	Immediate denture-mandibular	875.00
D5211	Maxillary partial-resin base	600.00
D5212	Maxillary partial-resin base	600.00
D5410	Adjust complete denture, maxillary	50.00
D5411	Adjust complete denture, mandibular	50.00
D5421	Adjust partial denture, maxillary	50.00
D5422	Adjust partial denture, mandibular	50.00
D5520	Replace denture teeth	127.00
D5750	Reline complete maxillary denture	244.00
D5751	Reline complete mandibular denture	244.00
D7140	Extraction-erupted/exposed	150.00
D7210	Extraction-surgical-imp bony	225.00
D7240	Removal of Impacted Tooth Tissue	225.00
D7310	Alveoloplasty - per quadrant	275.00
D7472	Removal of torus palatinus Mandibular 2 quadrants	400.00
D5760	Reline maxillary parital denture	99.00
D5761	Reline mandibular partial denture	99.00



### 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.



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.
3. Subparagraph 14.1.1 of the General Provisions of this contract, is deleted and the following subparagraph is added:
  - 14.1.1 Comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence with additional general liability umbrella coverage of not less than \$15,000,000.
4. The Department reserves the right to renew the Contract for up to two additional years, subject to the continued availability of funds, satisfactory performance of services and approval by the Governor and Executive Council.



**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.

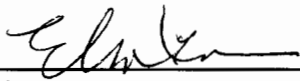
Place of Performance (street address, city, county, state, zip code) (list each location)

555 Auburn St, Manchester, NH 03103

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

Contractor Name: Easter Seals NH, Inc.

8/3/15  
Date

  
Name: Elin Treanor  
Title: CFO



**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: Ester Seals NH, Inc.

8/3/2015  
Date

Elin Treanor  
Name: Elin Treanor  
Title: CFO



**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: Easter Seals NH, Inc

8/3/2015  
Date

Elin Treanor  
Name: Elin Treanor  
Title: CFO



**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: Easter Seals NH, Inc.

Date 8/3/15

Elin Treanor  
Name: Elin Treanor  
Title: CFO

Exhibit G

Contractor Initials ET

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: Easter Seals NH, Inc.

8/3/2015  
Date

Elin Treanor  
Name: Elin Treanor  
Title: CFO



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 & Human Services  
The State

[Signature]  
Signature of Authorized Representative

Diane Landry  
Name of Authorized Representative

Director  
Title of Authorized Representative

8/11/15  
Date

Easter Seals NH, Inc

Name of the Contractor  
[Signature]  
Signature of Authorized Representative

Elin Treanor  
Name of Authorized Representative

CEO  
Title of Authorized Representative

8/3/15  
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: Easter Seals NH, Inc.

8/3/15  
Date

  
Name: Elin Treanor  
Title: CFO





**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: 08-557-3467
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

X  NO                      \_\_\_\_\_ YES

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

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

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

\_\_\_\_\_ NO                      \_\_\_\_\_ YES

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

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

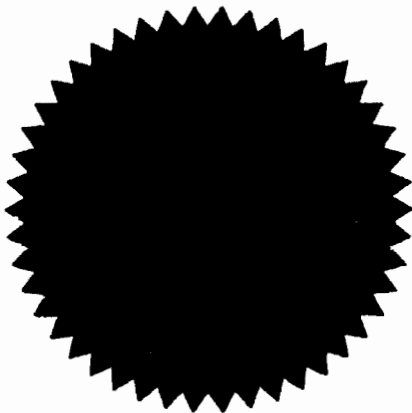
4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

State of New Hampshire  
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Easter Seals New Hampshire, Inc. is a New Hampshire nonprofit corporation formed November 6, 1967. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 6<sup>th</sup> day of April, A.D. 2015

William M. Gardner  
Secretary of State

**CERTIFICATE OF VOTE**

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

1. I am a duly elected Officer of EASTER SEALS NH, 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 APRIL 8, 2015:  
(Date)

**RESOLVED:** That the 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 3rd day of AUGUST, 2015.  
(Date Contract Signed)

4. ELIN TREANDR is the duly elected CHIEF FINANCIAL OFFICER  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Betty Burke  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Huishborough

The forgoing instrument was acknowledged before me this 3rd day of August, 2015.

By Elin Treandr  
(Name of Elected Officer of the Agency)

Cynthia Ross  
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

**CYNTHIA ROSS, Notary Public**  
My Commission Expires March 12, 2019

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

Client#: 497072

EASTESEAT

**ACORD**

**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

8/20/2015

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

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


<b>PRODUCER</b> USI Insurance Services LLC 3 Executive Park Drive, Suite 300 Bedford, NH 03110 855 874-0123		<b>CONTACT NAME:</b> PHONE (A/C, No, Ext): 855 874-0123 FAX (A/C, No): E-MAIL: ADDRESS:	
		<b>INSURER(S) AFFORDING COVERAGE</b>	
		INSURER A: Philadelphia Insurance Company	
		NAIC # 23850	
<b>INSURED</b> Easter Seals NH, Inc. 555 Auburn Street Manchester, NH 03103		INSURER B : 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 INSR	SUBR INSR	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Professional Liab GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	X	X	PHPK1381711	09/01/2015	09/01/2016	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$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			PHPK1381711	09/01/2015	09/01/2016	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10,000			PHUB511851	09/01/2015	09/01/2016	EACH OCCURRENCE \$15,000,000 AGGREGATE \$15,000,000 \$ WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER
	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				E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	EDP			PHPK1381711	09/01/2015	09/01/2016	\$2,219,050 \$500 Deductible Special Form Incl Theft

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
 \*Supplemental Names\*: Easter Seals ME, Inc., STS, Inc., Agency Realty, Inc., Easter Seals Rhode Island, Inc., Manchester Alcohol Rehabilitation Center, Inc., dba The Farnum Center, Easter Seals VT, Inc.,- The General Liability policy includes a Blanket Automatic Additional Insured Endorsement that provides Additional Insured and a Blanket Waiver of Subrogation status to the Certificate Holder, only when there is a written contract or written agreement between the named insured and the certificate holder that requires (See Attached Descriptions)

<b>CERTIFICATE HOLDER</b> State of NH NH Dept. of Health & Human Srvcs, Bur. of Elderly & Adult Srvcs, Catherine Cormier, Contract Admin. 129 Pleasant St. Concord, NH 03301-3857	<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 
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# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
12/12/2014

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> Hays Companies of New England  133 Federal Street 2nd Floor Boston, MA 02110	1-617-723-7775	<b>CONTACT NAME:</b> John Paul Foley <b>PHONE (A/C, No, Ext):</b> <b>E-MAIL ADDRESS:</b> jfoley@hayscompanies.com <b>FAX (A/C, No):</b>
<b>INSURED</b> Easter Seals New Hampshire, Inc.  555 Auburn Street  Manchester, NH 03103-4803	<b>INSURER(S) AFFORDING COVERAGE</b> INSURER A: UNITED STATES FIRE INS CO NAIC # 21113 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

**COVERAGES**      **CERTIFICATE NUMBER: 42315995**      **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
	<b>GENERAL LIABILITY</b> <input 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					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea. occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/PROP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input 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					COMBINED SINGLE LIMIT (Ea. accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <b>EXCESS LIAB</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
<b>A</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 <input type="checkbox"/> N/A	406-719683 1	01/01/15	01/01/16	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

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

<b>CERTIFICATE HOLDER</b> Department of Health & Human Services  129 Pleasant St.  Concord, NH 03301  USA	<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 
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## **Mission:**

Easter Seals provides exceptional services to ensure that all people with disabilities or special needs and their families have equal opportunities to live, learn, work and play in their communities.

**Easter Seals New Hampshire, Inc.  
and Subsidiaries**

Consolidated Financial Statements and  
Other Financial Information

*Years Ended August 31, 2014 and 2013  
With Independent Auditors' Report*

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
OTHER FINANCIAL INFORMATION**

For the Years Ended August 31, 2014 and 2013

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Easter Seals New Hampshire, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH), which comprise the consolidated statements of financial position as of August 31, 2014 and 2013, and the related consolidated statements of activities and changes in net assets, functional 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 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 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' 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.

To the Board of Directors  
Easter Seals New Hampshire, Inc. and Subsidiaries

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Easter Seals NH as of August 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying other financial information is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual companies 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 consolidating 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 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 December 5, 2014 on our consideration of Easter Seals New Hampshire, Inc. and Subsidiaries' 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 Easter Seals New Hampshire, Inc. and Subsidiaries' internal control over financial reporting and compliance.

Manchester, New Hampshire  
December 5, 2014

***Baker Neuman & Noyes***  
Limited Liability Company

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

August 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 2,757,134	\$ 3,042,621
Accounts receivable from affiliates	341,653	247,471
Program and other accounts receivable, less contractual allowance of \$218,900 in 2014 and \$210,300 in 2013, and allowance for doubtful accounts of \$440,800 in 2014 and \$930,400 in 2013	10,122,747	11,224,708
Contributions receivable, less allowance for doubtful accounts of \$45,400 in 2014 and \$25,500 in 2013	705,374	686,110
Current portion of assets limited as to use	300,046	541,961
Prepaid expenses and other current assets	<u>678,326</u>	<u>783,844</u>
Total current assets	14,905,280	16,526,715
Assets limited as to use, net of current portion	986,277	4,558,513
Fixed assets, net	25,094,383	28,066,884
Property held for sale	1,289,894	822,504
Bond issuance costs, net	235,113	244,751
Investments, at fair value	13,833,046	14,264,341
Beneficial interest in trusts held by others and other assets	<u>1,550,919</u>	<u>6,830,800</u>
	<u>\$57,894,912</u>	<u>\$71,314,508</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Lines of credit	\$ 2,197,904	\$ 4,212,394
Accounts payable	1,907,743	1,812,128
Accrued expenses	4,251,482	4,143,454
Current portion of deferred revenue	858,258	839,567
Current portion of interest rate swap agreements	615,570	708,132
Current portion of long-term debt	<u>4,228,339</u>	<u>796,290</u>
Total current liabilities	14,059,296	12,511,965
Deferred revenue, net of current portion	999,167	4,218,053
Other liabilities	987,185	1,367,458
Interest rate swap agreements, less current portion	2,714,243	2,050,214
Long-term debt, less current portion	<u>18,976,300</u>	<u>25,318,667</u>
Total liabilities	37,736,191	45,466,357
Net assets:		
Unrestricted	14,189,337	14,767,708
Temporarily restricted	944,862	925,437
Permanently restricted	<u>5,024,522</u>	<u>10,155,006</u>
Total net assets	<u>20,158,721</u>	<u>25,848,151</u>
	<u>\$57,894,912</u>	<u>\$71,314,508</u>

See accompanying notes.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

Year Ended August 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue:				
Public support:				
Contributions	\$ 744,262	\$ 542,179	\$ 13,813	\$ 1,300,254
Special events, net of related direct costs of \$819,901	1,059,080	756,895	-	1,815,975
Annual campaigns, net of related direct costs of \$67,889	468,261	33,589	-	501,850
Bequests	448,558	-	-	448,558
Net assets released from restrictions	<u>1,356,595</u>	<u>(1,356,595)</u>	<u>-</u>	<u>-</u>
Total public support	4,076,756	(23,932)	13,813	4,066,637
Revenue:				
Fees and grants from governmental agencies	67,725,297	-	-	67,725,297
Other fees and grants	25,094,296	-	-	25,094,296
Sales to public	4,270,196	-	-	4,270,196
Dividend and interest income	742,337	3,613	-	745,950
Rental income	65,204	-	-	65,204
Other	<u>459,188</u>	<u>-</u>	<u>-</u>	<u>459,188</u>
Total revenue	<u>98,356,518</u>	<u>3,613</u>	<u>-</u>	<u>98,360,131</u>
Total public support and revenue	102,433,274	(20,319)	13,813	102,426,768
Operating expenses:				
Program services:				
Public health education	515,992	-	-	515,992
Professional education	29,065	-	-	29,065
Direct services	<u>89,987,134</u>	<u>-</u>	<u>-</u>	<u>89,987,134</u>
Total program services	90,532,191	-	-	90,532,191
Supporting services:				
Management and general	9,419,570	-	-	9,419,570
Fundraising	<u>2,006,939</u>	<u>-</u>	<u>-</u>	<u>2,006,939</u>
Total supporting services	<u>11,426,509</u>	<u>-</u>	<u>-</u>	<u>11,426,509</u>
Total functional expenses	101,958,700	-	-	101,958,700
Support of National programs	<u>122,586</u>	<u>-</u>	<u>-</u>	<u>122,586</u>
Total operating expenses	<u>102,081,286</u>	<u>-</u>	<u>-</u>	<u>102,081,286</u>
Increase (decrease) in net assets from operations	351,988	(20,319)	13,813	345,482

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

Year Ended August 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Other nonoperating expenses, gains and losses:				
Change in fair value of interest rate swaps	\$ (594,854)	\$ —	\$ —	\$ (594,854)
Net unrealized and realized gains on investments	1,496,964	37,986	—	1,534,950
Increase in fair value of beneficial interest in trusts held by others	—	—	574,970	574,970
Gain on sales and disposals of property, plant and equipment	14,352	—	—	14,352
Other nonoperating losses	<u>(249,092)</u>	<u>—</u>	<u>—</u>	<u>(249,092)</u>
	<u>667,370</u>	<u>37,986</u>	<u>574,970</u>	<u>1,280,326</u>
 Increase in net assets before effects of deconsolidation of affiliate	 1,019,358	 17,667	 588,783	 1,625,808
Deconsolidation of affiliate – see note 12	<u>(121,612)</u>	<u>(200)</u>	<u>(5,719,267)</u>	<u>(5,841,079)</u>
 Increase (decrease) in net assets before effects of discontinued operations	 897,746	 17,467	 (5,130,484)	 (4,215,271)
Loss from discontinued operations – see note 13	<u>(1,476,117)</u>	<u>1,958</u>	<u>—</u>	<u>(1,474,159)</u>
 Total (decrease) increase in net assets	 (578,371)	 19,425	 (5,130,484)	 (5,689,430)
Net assets at beginning of year	<u>14,767,708</u>	<u>925,437</u>	<u>10,155,006</u>	<u>25,848,151</u>
Net assets at end of year	<u>\$ 14,189,337</u>	<u>\$ 944,862</u>	<u>\$ 5,024,522</u>	<u>\$ 20,158,721</u>

See accompanying notes.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

Year Ended August 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue:				
Public support:				
Contributions	\$ 861,583	\$ 1,622,346	\$ 13,648	\$ 2,497,577
Special events, net of related direct costs of \$307,832	857,369	131,154	-	988,523
Annual campaigns, net of related direct costs of \$80,637	391,930	51,304	-	443,234
Bequests	369,823	-	-	369,823
Net assets released from restrictions	<u>1,497,063</u>	<u>(1,497,063)</u>	<u>-</u>	<u>-</u>
Total public support	3,977,768	307,741	13,648	4,299,157
Revenue:				
Fees and grants from governmental agencies	63,628,203	-	-	63,628,203
Other fees and grants	24,013,223	-	-	24,013,223
Sales to public	4,019,558	-	-	4,019,558
Dividend and interest income	681,151	1,141	-	682,292
Rental income	144,771	-	-	144,771
Other	<u>679,263</u>	<u>-</u>	<u>-</u>	<u>679,263</u>
Total revenue	<u>93,166,169</u>	<u>1,141</u>	<u>-</u>	<u>93,167,310</u>
Total public support and revenue	97,143,937	308,882	13,648	97,466,467
Operating expenses:				
Program services:				
Public health education	609,102	-	-	609,102
Professional education	41,275	-	-	41,275
Direct services	<u>84,342,495</u>	<u>-</u>	<u>-</u>	<u>84,342,495</u>
Total program services	84,992,872	-	-	84,992,872
Supporting services:				
Management and general	9,403,893	-	-	9,403,893
Fundraising	<u>1,755,299</u>	<u>-</u>	<u>-</u>	<u>1,755,299</u>
Total supporting services	<u>11,159,192</u>	<u>-</u>	<u>-</u>	<u>11,159,192</u>
Total functional expenses	96,152,064	-	-	96,152,064
Support of National programs	<u>121,780</u>	<u>-</u>	<u>-</u>	<u>121,780</u>
Total operating expenses	<u>96,273,844</u>	<u>-</u>	<u>-</u>	<u>96,273,844</u>
Increase in net assets from operations	870,093	308,882	13,648	1,192,623

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

Year Ended August 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Other nonoperating expenses, gains and losses:				
Change in fair value of interest rate swaps	\$ 2,377,632	\$ -	\$ -	\$ 2,377,632
Net unrealized and realized gains on investments	789,496	24,173	-	813,669
Increase in fair value of beneficial interest in trusts held by others	-	-	239,436	239,436
Other nonoperating losses	(107,120)	-	-	(107,120)
Gain on sales and disposals of property, plant and equipment	<u>7,392</u>	<u>-</u>	<u>-</u>	<u>7,392</u>
	<u>3,067,400</u>	<u>24,173</u>	<u>239,436</u>	<u>3,331,009</u>
Increase in net assets before effects of discontinued operations	3,937,493	333,055	253,084	4,523,632
Loss from discontinued operations	<u>(1,107,544)</u>	<u>(6,368)</u>	<u>-</u>	<u>(1,113,912)</u>
Total increase in net assets	2,829,949	326,687	253,084	3,409,720
Net assets at beginning of year	<u>11,937,759</u>	<u>598,750</u>	<u>9,901,922</u>	<u>22,438,431</u>
Net assets at end of year	<u>\$14,767,708</u>	<u>\$ 925,437</u>	<u>\$10,155,006</u>	<u>\$25,848,151</u>

See accompanying notes.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended August 31, 2014

	Program Services <sup>(1)</sup>			Supporting Services <sup>(1)</sup>			Total Program <sup>(1)</sup> and Supporting Services Expenses	
	Public Health Education	Profes- sional Education	Direct Services	Manage- ment and General	Fund- Raising	Total	2014	2013
Salaries and related expenses	\$377,333	\$ -	\$68,675,876	\$6,215,011	\$1,585,198	\$ 7,800,209	\$ 76,853,418	\$71,803,968
Professional fees	20,447	-	7,603,267	1,739,786	144,242	1,884,028	9,507,742	9,220,138
Supplies	5,348	-	2,573,547	70,007	29,342	99,349	2,678,244	2,701,644
Telephone	2,103	-	546,513	306,174	12,483	318,657	867,273	842,598
Postage and shipping	5,776	-	60,188	37,433	9,607	47,040	113,004	114,771
Occupancy	13,740	-	3,567,064	382,641	116,960	499,601	4,080,405	3,818,455
Outside printing, artwork and media	44,572	-	45,428	6,951	30,076	37,027	127,027	129,997
Travel	5,695	-	2,515,521	47,958	25,749	73,707	2,594,923	2,603,224
Conventions and meetings	36,240	29,065	208,482	57,207	39,580	96,787	370,574	391,528
Specific assistance to individuals	(1)	-	1,232,641	12,820	-	12,820	1,245,460	956,791
Dues and subscriptions	-	-	23,206	14,917	2,716	17,633	40,839	49,217
Minor equipment purchases and equipment rental	537	-	256,918	106,538	5,663	112,201	369,656	426,239
Ads, fees and miscellaneous	4,075	-	30,638	5,316	3,747	9,063	43,776	99,624
Interest	-	-	934,985	241,231	-	241,231	1,176,216	1,093,656
Facility tax assessment	-	-	182,791	-	-	-	182,791	311,041
Depreciation and amortization	127	-	1,530,069	175,580	1,576	177,156	1,707,352	1,589,173
	<u>\$515,992</u>	<u>\$29,065</u>	<u>\$89,987,134</u>	<u>\$9,419,570</u>	<u>\$2,006,939</u>	<u>\$11,426,509</u>	<u>\$ 101,958,700</u>	<u>\$96,152,064</u>
	0.51%	0.03%	88.26%	88.80%	9.24%	1.96%	100.00%	100.00%

<sup>(1)</sup> Excludes expenses related to deconsolidated affiliate and discontinued operations -- see notes 12 and 13.

See accompanying notes.



**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended August 31, 2013

	Program Services <sup>(1)</sup>			Supporting Services <sup>(1)</sup>			Total Program <sup>(1)</sup> and Supporting Services Expenses
	Public Health Education	Profes- sional Education	Direct Services	Manage- ment and General	Fund- Raising	Total	
Salaries and related expenses	\$432,105	\$ -	\$64,016,840	\$6,141,709	\$1,213,314	\$7,355,023	\$71,803,968
Professional fees	24,682	-	7,352,186	1,605,708	237,562	1,843,270	9,220,138
Supplies	19,447	-	2,580,451	69,601	32,145	101,746	2,701,644
Telephone	3,233	-	525,614	301,010	12,741	313,751	842,598
Postage and shipping	4,968	-	52,626	49,897	7,280	57,177	114,771
Occupancy	18,838	-	3,194,945	495,234	109,438	604,672	3,818,455
Outside printing, artwork and media	30,470	-	46,206	9,565	43,756	53,321	129,997
Travel	13,155	-	2,521,678	35,696	32,695	68,391	2,603,224
Conventions and meetings	45,984	41,275	208,479	45,752	50,038	95,790	391,528
Specific assistance to individuals	-	-	944,796	11,995	-	11,995	956,791
Dues and subscriptions	1,318	-	21,710	16,128	10,061	26,189	49,217
Minor equipment purchases and equipment rental	4,592	-	266,270	152,783	2,594	155,377	426,239
Ads, fees and miscellaneous	10,104	-	73,694	13,423	2,403	15,826	99,624
Interest	-	-	856,315	237,341	-	237,341	1,093,656
Facility tax assessment	-	-	311,041	-	-	-	311,041
Depreciation and amortization	206	-	1,369,644	218,051	1,272	219,323	1,589,173
	<u>\$609,102</u>	<u>\$41,275</u>	<u>\$84,342,495</u>	<u>\$9,403,893</u>	<u>\$1,755,299</u>	<u>\$11,159,192</u>	<u>\$96,152,064</u>
	0.63%	0.04%	87.72%	9.78%	1.83%	11.61%	100.00%

(1) Excludes expenses related to discontinued operations – see note 13.

See accompanying notes.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Years Ended August 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (5,689,430)	\$ 3,409,720
Adjustments to reconcile (decrease) increase in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	1,771,703	1,807,843
Bad debt provision	265,007	774,569
Increase in fair value of beneficial interest in trusts held by others	(574,970)	(239,436)
Net loss (gain) on sales and disposals of property, plant and equipment and property held for sale and impairment losses	125,346	(283,942)
Change in fair value of interest rate swaps	594,855	(2,377,632)
Net unrealized and realized gains on investments	(1,534,950)	(813,669)
Deconsolidation of affiliate -- see note 12	5,841,079	-
Changes in operating assets and liabilities:		
Accounts receivable from affiliates	(94,182)	194,509
Program and other accounts receivable	818,382	(2,677,707)
Contributions receivable	(20,090)	(194,381)
Prepaid expenses and other current assets	102,454	520,329
Other assets	81,516	(4,483)
Accounts payable and accrued expenses	304,390	(1,037,545)
Rate reserve	-	(435,008)
Deferred revenue	(61,478)	(478,150)
Other liabilities	<u>(380,273)</u>	<u>198,799</u>
Net cash provided (used) by operating activities	1,549,359	(1,636,184)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(1,244,361)	(4,859,057)
Proceeds from sale of property, plant and equipment and property held for sale	15,225	531,189
Cash provided for deconsolidation of affiliate	(21,440)	-
(Increase) decrease in investments, net	1,709,413	(444,915)
Change in assets limited as to use	<u>265,625</u>	<u>375,304</u>
Net cash provided (used) by investing activities	724,462	(4,397,479)
Cash flows from financing activities:		
Repayment of long-term debt	(825,393)	(750,199)
Issuance of long-term debt	280,575	3,194,506
Repayments on lines of credit	(53,526,692)	(27,372,936)
Borrowings on lines of credit	<u>51,512,202</u>	<u>29,602,726</u>
Net cash (used) provided by financing activities	<u>(2,559,308)</u>	<u>4,674,097</u>
Decrease in cash and cash equivalents	(285,487)	(1,359,566)
Cash and cash equivalents, beginning of year	<u>3,042,621</u>	<u>4,402,187</u>
Cash and cash equivalents, end of year	<u>\$ 2,757,134</u>	<u>\$ 3,042,621</u>

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

Years Ended August 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ <u>1,201,000</u>	\$ <u>1,119,000</u>

In 2014, Easter Seals NH transferred its sole member interest in a consolidated affiliate to an unrelated party (see note 12). During 2014 and 2013, Easter Seals NH transferred property with a net carrying value of \$607,088 and \$16,224, respectively, from fixed assets to property held for sale.

See accompanying notes.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 1. Corporate Organization and Purpose

Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH) consists of various separate nonprofit entities: Easter Seals New Hampshire, Inc. (parent and service corporation); Easter Seals New York, Inc. (Easter Seals NY); Easter Seals Maine, Inc. (Easter Seals ME); Easter Seals Rhode Island, Inc. (Easter Seals RI); Agency Realty, Inc. (real estate corporation); The Harbor Schools Incorporated (Harbor Schools); Manchester Alcoholism Rehabilitation Center; Easter Seals Connecticut, Inc. (Easter Seals CT); and Easter Seals Vermont, Inc. (Easter Seals VT). Easter Seals New Hampshire, Inc. is the sole member of each subsidiary. Easter Seals NH is affiliated with Easter Seals, Inc. (the national headquarters for the organization).

On May 22, 2013 the Board of Directors of Easter Seals New Hampshire, Inc. voted to dissolve and transfer the assets and liabilities of Special Transit Services, Inc. to Easter Seals New Hampshire, Inc.

On March 22, 2013, the Board of Directors of Easter Seals NY, voted to discontinue the Bronx Early Intervention program. On July 1, 2013, the Center for Therapeutic Recreation program located in Portland, Maine was transferred to the City of Portland and at that same time Easter Seals ME discontinued offering those services. On September 25, 2013, the Board of Directors of Easter Seals CT voted to discontinue the camp programs and cease all operations effective November 16, 2013. On January 25, 2012, the Board of Directors of Easter Seals NH voted to close Harbor Schools and cease all operations of this subsidiary, and also voted to approve discontinuing the group home and special education programs in Rutland, Vermont. On June 11, 2014, the Board of Directors of Easter Seals NH voted to discontinue the Pediatric Outpatient programs located in Manchester and Dover due to significant losses the programs were experiencing. See also note 13.

In May 2013, the Boards of Directors of Manchester Alcoholism Rehabilitation Center and Webster Place voted to merge the two organizations with Manchester Alcohol Rehabilitation Center being the surviving corporation, having found such merger to be in the best interest of both organizations. The effective date of the merger was September 1, 2013.

On July 31, 2014, Easter Seals NH entered into an agreement with The Connecticut Institute for the Blind, Inc. d/b/a Oak Hill (Oak Hill), an unrelated entity, whereby Easter Seals NH agreed to transfer its sole member interest in Easter Seals CT to Oak Hill for no consideration. See also note 12.

Easter Seals NH's purpose is to provide (1) programs and services for people with disabilities and other special needs, (2) assistance to people with disabilities and their families, (3) assistance to communities in identifying and developing needed services for residents, and (4) a climate of acceptance for people with disabilities and other special needs which will enable them to contribute to the well-being of the community. Easter Seals NH operates programs throughout New Hampshire, New York, Maine, Massachusetts (prior to the closure of Harbor Schools), Rhode Island, Vermont and Connecticut.

#### 2. Summary of Significant Accounting Policies

##### Principles of Consolidation

The consolidated financial statements include the accounts of Easter Seals New Hampshire, Inc. and the subsidiaries of which it is the sole member. Significant intercompany accounts and transactions have been eliminated in consolidation.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 2. Summary of Significant Accounting Policies (Continued)

##### Cash and Cash Equivalents

Easter Seals NH considers all highly liquid securities purchased with an original maturity of 90 days or less to be cash equivalents. Cash equivalents consist of cash, overnight repurchase agreements and money market funds, excluding assets limited as to use.

The management of Easter Seals NH has implemented a practice to establish cash reserves on hand. Approximately \$2,483,000 and \$2,432,000, respectively, of cash and cash equivalents, and approximately \$2,512,000 and \$2,238,000, respectively, of investments were on-hand under this practice as of August 31, 2014 and 2013, respectively.

##### Assets Limited as to Use and Investments

Assets limited as to use consists of cash and cash equivalents, short-term certificates of deposit with original maturities greater than 90 days, but less than one year, and investments. Investments are stated at fair value. Realized gains and losses on investments are computed on a specific identification basis. The changes in net unrealized and realized gains and losses on investments are recorded in other nonoperating expenses, gains and losses in the accompanying consolidated statements of activities and changes in net assets. Donated securities are stated at fair value determined at the date of donation.

##### Beneficial Interest in Trusts

Easter Seals NH is the beneficiary of several trusts held by others. Easter Seals NH has recorded as an asset the fair value of its interest in the trusts and such amount is included in permanently restricted net assets, based on the underlying donor stipulations. The change in the interest due to fair value change is recorded within other nonoperating expenses, gains and losses as permanently restricted activity.

##### Fixed Assets

Fixed assets are recorded at cost less accumulated depreciation and amortization. Expenditures for maintenance and repairs are charged to expense as incurred, and expenditures for major renovations are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the underlying assets.

Fixed assets obtained by Easter Seals NH as a result of acquisitions on or after September 1, 2011 are recorded at estimated fair value as of the date of the acquisition in accordance with generally accepted accounting principles guidance for acquisitions by a not-for-profit entity.

Donated property and equipment not subject to donor stipulated conditions is 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 or, if significant uncertainties exist, as deferred revenue pending resolution of the uncertainties. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. See also note 5.

Property held for sale is recorded at the lower of net realizable value or carrying value. Easter Seals NH recognized impairment losses on certain property held for sale in 2014 of \$139,698, which is recorded in other nonoperating losses.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2014 and 2013

**2. Summary of Significant Accounting Policies (Continued)**

*Intangible Assets and Long-Lived Assets*

Accounting rules require that intangible assets with estimable or determinable useful lives be amortized over their respective estimated useful lives to their estimated residual values, and be reviewed by management for impairment. Intangible assets at August 31, 2014 and 2013 consist of a patient list obtained in the acquisition of Webster Place.

Expected amortization of intangible assets through the end of their useful lives is as follows:

2015	\$ 33,130
2016	33,130
2017	33,130
2018	33,130
2019	33,130
Thereafter	<u>66,263</u>
	<u>\$231,913</u>

Amortization expense recognized for the patient list in 2014 and 2013 totaled \$33,130.

When there is an indication of impairment, management considers whether long-lived assets are impaired by comparing gross future undiscounted cash flows expected to be generated from utilizing the assets to their carrying amounts. If cash flows are not sufficient to recover the carrying amount of the assets, impairment has occurred and the assets are written down to their fair value. Significant estimates and assumptions are required to be made by management in order to evaluate possible impairment.

Based on current facts, estimates and assumptions, management believes that no long-lived assets were impaired at August 31, 2014 and 2013.

*Bond Issuance Costs*

Bond issuance costs are being amortized by the straight-line method over the repayment period of the related bonds, or the expected time until the next refinancing, whichever is shorter. Amortization expense recognized during 2014 and 2013 was \$9,638.

*Revenue Recognition*

Revenue generated from services provided to the public is reported at the estimated net realizable amounts from clients, third-party payors and others based upon approved rates as services are rendered. A significant portion of Easter Seals NH's revenues are derived through arrangements with third-party payors. As such, Easter Seals NH is dependent on these payors in order to carry out its operating activities. There is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in other fees and grants in the year that such amounts become known. Easter Seals NY recognized additional revenue of approximately \$7,654 in 2014 and \$1,046,000 in 2013 due to favorable rate adjustments approved by the State of New York.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 2. Summary of Significant Accounting Policies (Continued)

A third-party payor for three Easter Seals NY programs charged a facility tax assessment on a monthly basis in 2014 and 2013. The charges are a part of Easter Seals NY's reimbursement contract with the payor. The facility tax assessment is based on approved rates. As of August 31, 2014 and 2013, the facility tax assessment due was approximately \$136,000 and \$138,000, respectively, and is recorded in deferred revenue in the accompanying statements of financial position.

Revenues are recognized as earned, or attributable to the period in which specific terms of the funding agreement are satisfied, and to the extent that expenses have been incurred for the purposes specified by the funding source. Revenue balances in excess of the foregoing amounts are accounted for as deferred revenue until any restrictions are met or allowable expenditures are incurred.

The allowance for doubtful accounts is provided based on an analysis by management of the collectibility of outstanding balances. Management considers the age of outstanding balances and past collection efforts in determining the allowance for doubtful accounts. Accounts are charged against the allowance for doubtful accounts when deemed uncollectible. The bad debt provision in 2014 and 2013 totaled \$265,007 and \$774,569, respectively.

Unconditional contributions are recognized when pledged.

#### Advertising

Easter Seals NH's policy is to expense advertising costs as incurred.

#### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services based mainly on time records and estimates made by Easter Seals NH's management.

#### Charity Care (Unaudited)

Easter Seals NH has a formal charity care policy under which program fees are subsidized as determined by the Board of Directors. Free and subsidized services are rendered in accordance with decisions made by the Board of Directors and, at established charges, amounted to approximately \$6,802,000 and \$7,373,000 for the years ended August 31, 2014 and 2013, respectively.

#### Income Taxes

Easter Seals New Hampshire, Inc., Easter Seals NY, Easter Seals ME, Easter Seals VT, Easter Seals RI, Harbor Schools, Manchester Alcoholism Rehabilitation Center and Easter Seals CT are exempt from both federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and, for Easter Seals NY of the Not-for-Profit Corporation Law of the State of New York. Agency Realty, Inc. received a determination letter from the Internal Revenue Service stating that it qualifies for tax-exempt status under Section 501(c)(2) of the Internal Revenue Code.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 2. Summary of Significant Accounting Policies (Continued)

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position historically taken on various tax exposure items including unrelated business income or tax status. In accordance with accounting principles generally accepted in the United States of America, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the “more-likely-than-not” threshold, based upon the technical merits of the position.

Management has evaluated tax positions taken by Easter Seals New Hampshire, Inc. and its subsidiaries on their respective filed tax returns and concluded that the organizations have maintained their tax-exempt status, do not have any significant unrelated business income, and have taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements. Easter Seals New Hampshire, Inc. and its subsidiaries are no longer subject to income tax examinations by the federal or state tax authorities for years prior to 2011.

#### Use of Estimates

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

#### Derivatives and Hedging Activities

Accounting guidance requires that Easter Seals NH record as an asset or liability the fair value of the interest rate swap agreements described in note 8. Easter Seals NH is exposed to repayment loss equal to the net amounts receivable under the swap agreements (not the notional amount) in the event of nonperformance of the other party to the swap agreements. However, Easter Seals NH does not anticipate nonperformance and does not obtain collateral from the other party.

As of August 31, 2014 and 2013, Easter Seals NH had recognized a liability of \$3,329,813 and \$2,758,346, respectively, as a result of the interest rate swap agreements discussed in note 8. As a result of changes in the fair value of these derivative financial instruments, Easter Seals NH recognized an decrease in net assets of \$571,467 (\$23,387 of which is included in deconsolidation of affiliate as an increase in net assets) for the year ending August 31, 2014, and an increase in net assets of \$2,377,632 for the year ending August 31, 2013 related to swap agreements.

#### Increase in Net Assets from Operations

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of services are reported as revenue and expenses that comprise the increase (decrease) in net assets from operations. The primary transactions reported as other nonoperating expenses, gains and losses include the adjustment to fair value of interest rate swaps, the increase in the fair value of beneficial interest in trusts held by others, gains and losses on sales and disposals of property, plant and equipment, and net realized and unrealized gains on investments.



## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 2. Summary of Significant Accounting Policies (Continued)

##### Reclassifications

Certain amounts in the 2013 consolidated financial statements have been reclassified to conform to the 2014 presentation.

##### Subsequent Events

Events occurring after the statement of financial position date are evaluated by management to determine whether such events should be recognized or disclosed in the consolidated financial statements. Management has evaluated events occurring between the end of Easter Seals NH's fiscal year end and December 5, 2014, the date these consolidated financial statements were available to be issued.

#### 3. Classification of Net Assets

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), net assets are classified and reported based on the existence or absence of donor-imposed restrictions. Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. Temporarily restricted net assets are those whose use by Easter Seals NH has been limited by donors to a specific time period or purpose. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. Permanently restricted net assets have been restricted by donors to be maintained by Easter Seals NH in perpetuity, the income from which is expendable to support all activities of the organization, or as stipulated by the donor.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

In accordance with UPMIFA, Easter Seals NH considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**3. Classification of Net Assets (Continued)**

*Endowment Net Asset Composition by Type of Fund*

The major categories of endowment funds at August 31, 2014 and 2013 are as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>2014</u>			
Camping program	\$ 3,072	\$ 364,869	\$ 367,941
Other programs	33,332	353,019	386,351
Operations	<u>—</u>	<u>3,613,207</u>	<u>3,613,207</u>
Total endowment net assets	<u>\$36,404</u>	<u>\$4,331,095</u>	<u>\$4,367,499</u>
<u>2013</u>			
Camping program	\$ 1,918	\$ 363,869	\$ 365,787
Other programs	18,913	340,203	359,116
Operations	<u>—</u>	<u>3,613,207</u>	<u>3,613,207</u>
Total endowment net assets	<u>\$20,831</u>	<u>\$4,317,279</u>	<u>\$4,338,110</u>

*Changes in Endowment Net Assets*

During the years ended August 31, 2014 and 2013, Easter Seals NH had the following endowment-related activities:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net endowment assets, August 31, 2012	\$ 16,043	\$4,303,631	\$4,319,674
Investment return:			
Investment income, net of fees	18,777	—	18,777
Net appreciation (realized and unrealized)	563,208	—	563,208
Contributions	—	13,648	13,648
Appropriated for expenditure	<u>(577,197)</u>	<u>—</u>	<u>(577,197)</u>
Net endowment assets, August 31, 2013	20,831	4,317,279	4,338,110
Investment return:			
Investment income, net of fees	22,617	—	22,617
Net appreciation (realized and unrealized)	970,963	—	970,963
Contributions	—	13,816	13,816
Appropriated for expenditure	<u>(978,007)</u>	<u>—</u>	<u>(978,007)</u>
Net endowment assets, August 31, 2014	<u>\$ 36,404</u>	<u>\$4,331,095</u>	<u>\$4,367,499</u>

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**3. Classification of Net Assets (Continued)**

In addition to endowment net assets, Easter Seals NH also maintains non-endowed funds. The major categories of non-endowment funds, at August 31, 2014 and 2013 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted (See Note 11)</u>	<u>Total Non- Endowment Net Assets</u>
<u>2014</u>				
Seniors program	\$ —	\$ 23,866	\$ —	\$ 23,866
Veterans program	263,880	9,702	—	273,582
India initiative	104,600	668,198	—	772,798
Other programs	—	174,192	—	174,192
Operations	<u>13,820,857</u>	<u>32,500</u>	<u>693,427</u>	<u>14,546,784</u>
Total non-endowment net assets	<u>\$14,189,337</u>	<u>\$908,458</u>	<u>\$ 693,427</u>	<u>\$15,791,222</u>
<u>2013</u>				
Seniors program	\$ 88,902	\$ 11,729	\$ —	\$ 100,631
Veterans program	—	517,035	—	517,035
India initiative	—	57,881	—	57,881
Other programs	—	285,461	—	285,461
Operations	<u>14,678,806</u>	<u>32,500</u>	<u>5,837,727</u>	<u>20,549,033</u>
Total non-endowment net assets	<u>\$14,767,708</u>	<u>\$904,606</u>	<u>\$5,837,727</u>	<u>\$21,510,041</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Easter Seals NH to retain as a fund of permanent duration. Deficiencies of this nature are reported in unrestricted net assets. There were no deficiencies between the fair value of the investments of the endowment funds and the level required by donor stipulation at August 31, 2014 or 2013.

Investment and Spending Policies

Easter Seals NH has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Easter Seals NH must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of an appropriate market index while assuming a moderate level of investment risk. Easter Seals NH expects its endowment funds to provide an average rate of return over a five year period equal to the rate of 2% over the inflation rate. Actual returns in any given year may vary from this amount.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 3. Classification of Net Assets (Continued)

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

Easter Seals NH may appropriate for distribution some or all of the earnings and appreciation on its endowment for funding of operations. In establishing this policy, Easter Seals NH considered the objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to, so long as it would not detract from Easter Seals NH's critical goals and initiatives, provide additional real growth through new gifts and investment return.

#### 4. Leases

Easter Seals NH leases certain assets under various arrangements which have been classified as operating leases. Total expense under all leases (including month-to-month leases) was approximately \$2,420,000 and \$2,168,000 for the years ended August 31, 2014 and 2013, respectively. Some of these leases have terms which include renewal options, and others may be terminated at Easter Seals NH's option without substantial penalty. Future minimum payments required under the leases in effect at August 31, 2014, through the remaining contractual term of the underlying lease agreements, are as follows:

##### Year Ended August 31:

2015	\$2,018,870
2016	1,486,328
2017	1,044,716
2018	385,129
2019	221,698
Thereafter	31,240

Easter Seals NY leases certain facilities for school operations from unrelated parties at lease terms that are either below fair market value, or that are almost entirely rent-free. Under accounting principles generally accepted in the United States of America, lease agreements must be evaluated based upon their economic substance rather than legal form, and a lease subsidy would be recorded as both contribution and rental expense. However, Easter Seals NH has determined that such amounts would not be material to the accompanying consolidated financial statements.

Easter Seals NY subleases certain office space located at 11 West 42<sup>nd</sup> Street in New York to an unrelated party. The sublease agreement expires in February 2014. Total rental income earned under this sublease agreement for the years ended August 31, 2014 and 2013 was approximately \$65,000 and \$144,000, respectively.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**5. Fixed Assets**

Fixed assets consist of the following at August 31:

	<u>2014</u>	<u>2013</u>
Buildings	\$ 27,225,674	\$ 33,015,085
Land and land improvements	2,696,051	3,494,009
Leasehold improvements	997,631	952,100
Office equipment and furniture	9,679,631	9,917,122
Vehicles	3,250,383	3,225,015
Construction in progress	<u>296,043</u>	<u>216,678</u>
	44,145,413	50,820,009
Less accumulated depreciation and amortization	<u>(19,051,030)</u>	<u>(22,753,125)</u>
	<u>\$ 25,094,383</u>	<u>\$ 28,066,884</u>

Depreciation and amortization expense related to fixed assets totaled \$1,728,935 and \$1,765,075 in 2014 and 2013, respectively. Depreciation and amortization of fixed assets included within discontinued operations in 2014 and 2013 totaled \$64,351 and \$218,670, respectively.

During 2012, Easter Seals NH received a donated building with an estimated fair value of approximately \$1,100,000. Under the terms of the donation, for a period of six years, Easter Seals NH must continue to use the building as a child care center. Should Easter Seals NH cease to operate the program, or wish to sell or donate the property, Easter Seals NH must first provide the donor with the opportunity to purchase the property for \$1. The contribution representing the fair value of the building has been recorded as deferred revenue at August 31, 2014 and 2013.

**6. Investments and Assets Limited as to Use**

Investments and assets limited as to use, at fair value, are as follows at August 31:

	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ 523,616	\$ 3,513,266
Certificates of deposit	-	554,282
Marketable equity securities	1,883,153	2,770,110
Mutual funds	11,634,793	10,992,033
Corporate and foreign bonds	711,063	903,497
Government and agency securities	<u>366,744</u>	<u>631,627</u>
	15,119,369	19,364,815
Less: assets limited as to use	<u>(1,286,323)</u>	<u>(5,100,474)</u>
Total investments, at fair value	<u>\$13,833,046</u>	<u>\$14,264,341</u>

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**6. Investments and Assets Limited as to Use (Continued)**

The composition of assets limited as to use at August 31, 2014 and 2013 is set forth in the table shown below at fair value. The portion of assets limited as to use that is required for obligations classified as current liabilities is reported in current assets.

	<u>2014</u>	<u>2013</u>
Under an agreement with the State of Connecticut, which provides that the funds be utilized for certain allowable program expenditures:		
Cash and cash equivalents	\$ —	\$2,310,566
Certificates of deposit	—	554,282
Mutual funds	—	428,148
Marketable equity securities	—	<u>151,573</u>
	—	3,444,569
Under a deferred compensation plan (see note 7):		
Investments	986,277	1,367,127
Maintained in escrow to make required payments on certain bonds (see note 8):		
Cash and cash equivalents	<u>300,046</u>	<u>288,778</u>
Total assets limited as to use	<u>\$1,286,323</u>	<u>\$5,100,474</u>

The principal components of investment income and net realized and unrealized gains included in continuing operations and other nonoperating expenses, gains and losses are summarized below.

	<u>2014</u>	<u>2013</u>
Unrestricted investment income and unrealized and realized gains on investments:		
Dividend and interest income	\$ 742,337	\$ 681,151
Net unrealized gains	668,363	231,743
Net realized gains	<u>828,601</u>	<u>557,753</u>
	2,239,301	1,470,647
Restricted investment income and unrealized and realized gains on investments:		
Dividend and interest income	3,613	1,141
Net unrealized gains	20,109	7,631
Net realized gains	<u>17,877</u>	<u>16,542</u>
	<u>41,599</u>	<u>25,314</u>
	<u>\$2,280,900</u>	<u>\$1,495,961</u>

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**7. Retirement Plans**

Easter Seals NH maintains a Section 403(b) Plan (a defined contribution retirement plan), which covers substantially all employees. Eligible employees may contribute any whole percentage of their annual salary. Employee contributions may be matched by Easter Seals NH as determined in the annual budget. The combined amount of employer and employee contributions is subject by law to annual maximum amounts. The employer match was approximately \$673,000 and \$474,000 for the years ended August 31, 2014 and 2013, respectively.

Easter Seals New Hampshire, Inc. offers, to certain management personnel, the option to participate in an Internal Revenue Code Section 457 Deferred Compensation Plan to which the organization may make a discretionary contribution. The employees' accounts are not available until termination, retirement, death or an unforeseeable emergency. Easter Seals New Hampshire, Inc. contributed approximately \$128,000 and \$130,000 to this plan during the years ended August 31, 2014 and 2013, respectively. The assets and liabilities associated with this plan were \$986,277 and \$1,367,127 at August 31, 2014 and 2013, respectively, and are included within assets limited as to use and other liabilities in the accompanying consolidated statements of financial position.

**8. Borrowings**

Borrowings consist of the following at August 31:

	<u>2014</u>	<u>2013</u>
Revenue Bonds, Series 2004A, tax exempt, issued through the New Hampshire Health and Education Facilities Authority (NHHEFA), with a variable rate determined through weekly remarketing (0.06% at August 31, 2014) through December 2034, annual principal payments continually increasing from \$400,000 to \$1,060,000 with a final payment of \$1,060,000 due December 2034, secured by a pledge of all gross receipts of Easter Seals NH and certain letters of credit (see below)	\$14,275,000	\$14,660,000
Revenue Bonds, Series 2010, issued through the Monroe County Industrial Development Corporation, interest only payments due through December 2011, after which monthly principal and interest payments ranging from \$10,050 to \$21,980 are required through the maturity date of December 31, 2040. Interest is payable monthly at a rate equal to 68% of the sum of the monthly LIBOR rate plus 2.65% (1.91% at August 31, 2014)	4,929,360	5,052,360
Mortgage payable to a bank with a variable rate of LIBOR plus 2.65%, principal of \$9,500 plus interest payable monthly, with a final payment of \$2,299,000 due March 2015, secured by all business assets and property of Easter Seals CT, excluding certain assets limited as to use (see deconsolidation of affiliate – note 12).	–	2,470,000

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**8. Borrowings (Continued)**

	<u>2014</u>	<u>2013</u>
Non-revolving note payable to a bank with a total availability of \$3,500,000 with a variable rate of LIBOR plus 4.07% (4.23% at August 31, 2014), interest only payments through June 2014, after which monthly principal and interest payments are required through the maturity in June 2015, secured by an interest in certain property with a net book value of \$3,888,720 at August 31, 2014	\$ 3,482,580	\$ 3,500,000
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$985 payable monthly through April 2018, secured by vehicles	41,386	52,008
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$525 payable monthly through September 2018, secured by vehicles	24,449	-
Note payable to a bank with a fixed rate of 3.66%, principal and interest of \$3,177 payable monthly, due August 2015, secured by vehicles	37,353	73,357
Unsecured note payable to an individual with a fixed rate of 5.25%, principal and interest of \$10,311 payable monthly, due April 2016	197,002	307,232
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$2,923 payable monthly through September 2018, secured by vehicles	136,074	-
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$546 payable monthly through January 2019, secured by vehicles	27,394	-
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$195 payable monthly through March 2019, secured by vehicles	10,137	-
Note payable to a bank with a fixed rate of 2.24%, principal and interest of \$608 payable monthly through July 2019, secured by vehicles	33,925	-
Note payable to a bank with a fixed rate of 2.24%, principal and interest of \$166 payable monthly through August 2019, secured by vehicles	<u>9,979</u>	<u>-</u>
	23,204,639	26,114,957
Less current portion	<u>4,228,339</u>	<u>796,290</u>
	<u>\$18,976,300</u>	<u>\$25,318,667</u>

Principal payments on long-term debt for each of the following years ending August 31 are as follows:

2015	\$ 4,228,339
2016	698,294
2017	642,760
2018	669,263
2019	643,064
Thereafter	<u>16,322,919</u>
	<u>\$23,204,639</u>



## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 8. Borrowings (Continued)

##### Lines of Credit and Other Financing Arrangements

Easter Seals New Hampshire, Inc. had an agreement with a bank for a \$500,000 nonrevolving equipment line of credit. The line of credit was used to fund the purchase of New Hampshire titled vehicles for use by Easter Seals NH through April 2, 2014. The interest rate charged on outstanding borrowings was at a fixed rate at the then prime rate minus 0.75% for maturities up to a five-year term. Upon maturity of this agreement, the balances outstanding under the note payable at August 31, 2014 and 2013 were converted to various term notes secured by vehicles, as described above.

Easter Seals New Hampshire, Inc. also has an agreement with a bank for a \$500,000 revolving equipment line, which can be used to fund the purchase of New Hampshire titled vehicles for use by Easter Seals NH through June 2017. Advances are converted to term notes as utilized. The interest rate charged on outstanding borrowings is at a fixed rate equal to the then Business Vehicle Rate at the time of the advance for maturities up to a five year term. Included in long-term debt are two notes payable of \$33,925 and \$9,979 at August 31, 2014 that originated under this agreement. Availability under this agreement at August 31, 2014 is approximately \$456,000.

Easter Seals New Hampshire, Inc. (the sole member of Easter Seals NY and Harbor Schools), Easter Seals NY and Harbor Schools have a revolving line of credit with a bank, with available borrowings up to \$7 million (a portion of which is secured by available letters of credit of \$59,000). Outstanding advances are due on demand. The revolving line of credit has the following sub-limits which were last amended in May 2013: Easter Seals NH \$3.725 million, Easter Seals NY \$3 million and Harbor Schools \$275,000. The interest rate charged on outstanding borrowings is at LIBOR plus 2.25% (2.41% at August 31, 2014). Under an event of default, the interest rate will increase from LIBOR plus 2.25% to LIBOR plus 5.25%. The line is secured by a first priority interest in all business assets of Easter Seals New Hampshire, Inc., Easter Seals NY and Harbor Schools. The agreement requires that collective borrowings under the line of credit be reduced to \$3,500,000 for 30 consecutive days during each calendar year. The agreement also limits each borrower's ability to incur additional indebtedness in excess of \$500,000. Amounts outstanding under this revolving line of credit agreement at August 31, 2014 and 2013 were \$262,356 and \$262,356, respectively, related to Harbor Schools, \$1,935,548 and \$1,599,505, respectively, related to Easter Seals NY and \$0 and \$1,425,875, respectively, related to Easter Seals NH.

Easter Seals CT had a demand revolving line of credit with a bank with available borrowings up to \$1 million. The interest rate charged on outstanding borrowings was at LIBOR plus 2.25%. The line was secured by all business assets and property of Easter Seals CT, except for certain assets limited as to use (\$3,444,569 carrying value as of August 31, 2013). Additionally, this line was guaranteed by Easter Seals NH. The agreement also limited Easter Seals CT's ability to incur additional indebtedness in excess of \$1,000,000 related to real estate, and was cross collateralized with all Easter Seals NH borrowings at this bank. Amounts outstanding under this revolving line of credit agreement at August 31, 2013 were \$924,658 (see deconsolidation of affiliate – note 12).

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 8. Borrowings (Continued)

##### NHHEFA 2004A Revenue Bonds

In connection with the NHHEFA 2004A Revenue Bonds, Easter Seals NH is required to make deposits of interest and principal of sufficient amounts to make the required interest payments and to retire the bonds when due. The 2004A Revenue Bonds require that Easter Seals NH maintain certain reserve funds with a trustee for current required principal and interest payments. Such amounts, which are included within assets limited as to use, totaled \$300,046 and \$288,778 at August 31, 2014 and 2013, respectively. This agreement also requires bank approval prior to Easter Seals NH incurring additional indebtedness. Easter Seals NH has two letters of credit securing the bonds for \$14,450,993 each (expiring and subject to renewal on March 15, 2015, and mainly to support future principal and interest repayments due under the 2004A Revenue Bonds). Easter Seals NH is required to replace or renew the two \$14,450,993 letters of credit upon their expiration or the related bonds may be subject to early redemption. Easter Seals NH pays an annual fee for the two letters of credit relating to the 2004A NHHEFA Revenue Bonds. Fees incurred on these letters of credit totaled approximately \$183,000 and \$157,000 in 2014 and 2013, respectively.

##### Series 2010 Revenue Bonds

On December 1, 2010, Easter Seals NY, in connection with the Monroe County Industrial Development Corporation and RBS Citizens, issued \$5,250,000 in Series 2010 tax-exempt Revenue Bonds (the Series 2010 Bonds). The Series 2010 Bonds were used to finance the acquisition of certain property located in Irondequoit, New York, provide for improvements to a school building and an existing rehabilitation facility, and construct two residential rehabilitation facilities. Additionally, proceeds were used to refinance certain Easter Seals NY outstanding debt.

The Series 2010 Bonds are secured by a mortgage on all properties and improvements financed by the bonds, and are guaranteed by Easter Seals NH. Easter Seals NY may elect to prepay some portion or all of the outstanding bonds subject to a prepayment fee, as defined. This agreement also requires bank approval prior to Easter Seals NY incurring additional indebtedness. The Series 2010 Bonds are subject to tender for mandatory purchase at the election of the bondholder beginning June 1, 2016, and thereafter every five years through June 1, 2036.

##### Interest Rate Swap Agreements

Easter Seals NH has an interest rate swap agreement with a bank in connection with the Series 2004A Revenue Bonds. The swap agreement has an outstanding notional amount of \$14,275,000 and \$14,660,000 at August 31, 2014 and 2013, respectively, which reduces, in conjunction with bond principal reductions, until the agreement terminates in December 2034. Easter Seals NH remits interest at the fixed rate of 3.54% and receives interest at a variable rate (0.06% at August 31, 2014).

On February 23, 2011, Easter Seals NY entered into an interest rate swap agreement with a bank in connection with the Series 2010 Revenue Bonds. The swap agreement had an outstanding notional amount of \$4,929,360 and \$5,052,360 at August 31, 2014 and 2013, respectively, which reduces, in conjunction with bond principal reductions, until the agreement terminates in January 2031. Easter Seals NY remits interest at a fixed rate of 2.99% and receives interest at a variable rate (68% of monthly LIBOR).

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 8. Borrowings (Continued)

On December 27, 2010, Easter Seals CT entered into an interest rate swap agreement in connection with an outstanding mortgage payable of \$2,470,000 at August 31, 2013. The original notional amount of \$1,800,000 reduces ratably in conjunction with repayment of the note payable. The swap agreement effectively changed the variable rate to a fixed rate of 2.72% for the notional amounts outstanding, which is approximately 65% of the related mortgage payable (see deconsolidation of affiliate – note 12).

The fair value of the above interest rate swap agreements totaled \$3,329,813 and \$2,758,346 at August 31, 2014 and 2013, respectively, \$615,570 and \$708,132 of which was current at August 31, 2014 and 2013, respectively. During the years ended August 31, 2014 and 2013 net payments required by the agreements totaled \$674,448 and \$692,269, respectively. These payments have been included in interest expense within the accompanying consolidated statements of activities and changes in net assets. See note 11 with respect to fair value determinations.

#### Debt Covenants

In connection with the bonds, lines of credit and various other notes payable described above, Easter Seals NH is required to comply with certain financial covenants including, but not limited to, minimum liquidity and debt service coverage ratios. At August 31, 2014, Easter Seals NH was in compliance with restrictive covenants specified under the NHHEFA bonds, Series 2010 Bonds, and other debt obligations.

#### 9. Donated Services

A number of volunteers have donated their time in connection with Easter Seals NH's program services and fundraising campaigns. However, no amounts have been reflected in the accompanying consolidated financial statements for such donated services, as no objective basis is available to measure the value.

#### 10. Related Party Transactions

Approximately 13% of other fees and grants revenue is derived from a pass-through grant from Easter Seals, Inc. for both years ended August 31, 2014 and 2013. Easter Seals NH is a member of Easter Seals, Inc. As of August 31, 2014 and 2013, Easter Seals NH had a receivable of \$334,352 and \$247,471, respectively, from Easter Seals, Inc. related to amounts due under this grant. Easter Seals NH also has an amount due from Easter Seals CT of \$7,301 at August 31, 2014 (see also note 12). Membership fees to Easter Seals, Inc. were \$122,586 and \$121,780 for the years ended August 31, 2014 and 2013, respectively and are reflected as support of National programs on the accompanying consolidated statements of activity and changes in net assets.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 11. Fair Value of Financial Instruments

Fair value of a financial instrument is defined 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 their measurement date. In determining fair value, Easter Seals NH uses various methods including market, income and cost approaches, and utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in factors used in the valuation. These factors may be readily observable, market corroborated, or generally unobservable. Easter Seals NH utilizes valuation techniques that maximize the use of observable factors and minimizes the use of unobservable factors.

Certain of Easter Seals NH's financial instruments are reported at fair value, which include beneficial interest held in trusts, investments and the interest rate swaps, and are classified by levels that rank the quality and reliability of the information used to determine fair value:

Level 1 – Valuations for financial instruments traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical instruments.

Level 2 – Valuations for financial instruments traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar instruments.

Level 3 – Valuations for financial instruments derived from other methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining fair value.

The following describes the valuation methodologies used to measure financial assets and liabilities at fair value. The levels relate to valuation only and do not necessarily indicate a measure of investment risk. There have been no changes in the methodologies used by Easter Seals NH at August 31, 2014 and 2013.

#### Investments and Assets Limited as to Use

Cash and cash equivalents are deemed to be Level 1. The fair values of marketable equity securities, money market and mutual funds and government and agency securities that are based upon quoted prices in active markets for identical assets are reflected as Level 1. Investments in certain other mutual funds and corporate and foreign bonds where securities are transparent and generally are based upon quoted prices in active markets are valued by the investment managers and reflected as Level 2. Investments in certificates of deposit are at cost plus accrued interest, which is estimated to approximate fair value and are included in Level 2.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2014 and 2013

**11. Fair Value of Financial Instruments (Continued)**

*Beneficial Interest in Trusts Held by Others*

The beneficial interest in trusts held by others has been assigned fair value levels based on the fair value levels of the underlying investments within the trusts. The fair values of marketable equity securities, money market and mutual funds, government and agency securities and other asset funds are based upon quoted prices in active markets for identical assets and are reflected as Level 1. Investments in marketable equity securities, mutual funds and corporate and foreign bonds where securities are transparent and generally are based upon quoted prices in active markets are valued by the investment managers and reflected as Level 2. Investments in alternative and other asset funds are derived from other methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions, and are reflected as Level 3. Level 3 valuations incorporate certain assumptions and projections in determining fair value.

*Interest Rate Swap Agreements*

The fair value for the interest rate swap liabilities is included in Level 3 and is estimated by the counterparty using industry standard valuation models. These models project future cash flows and discount the future amounts to present value using market-based observable inputs, including interest rates.

At August 31, 2014 and 2013, Easter Seals NH's assets and liabilities measured at fair value on a recurring basis were classified as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2014</u>				
Assets:				
Assets limited as to use and investments at fair value:				
Cash and cash equivalents	\$ 523,616	\$ —	\$ —	\$ 523,616
Marketable equity securities:				
Large-cap	1,238,248	—	—	1,238,248
International	644,905	—	—	644,905
Mutual funds, open-ended:				
Short-term fixed income	3,562,348	—	—	3,562,348
Intermediate-term bond fund	824,376	—	—	824,376
High yield bond fund	264,363	—	—	264,363
Foreign bond	14,168	—	—	14,168
Government securities	752,030	—	—	752,030
International equities	784,490	—	—	784,490
Domestic, large-cap	1,500,128	—	—	1,500,128
Domestic, mid-cap	147,920	—	—	147,920
Domestic, small-cap	3,480	—	—	3,480
Domestic, Multi Alt	112,233	—	—	112,233
Real estate fund	128,303	—	—	128,303

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**11. Fair Value of Financial Instruments (Continued)**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds, closed-ended:				
Domestic, large-cap	\$ 2,510,846	\$ -	\$ -	\$ 2,510,846
Domestic, mid-cap	508,556	-	-	508,556
Domestic, small-cap	193,682	-	-	193,682
International equity	326,879	-	-	326,879
Commodity	991	-	-	991
Corporate and foreign bonds	-	711,063	-	711,063
Government and agency securities	<u>366,744</u>	<u>-</u>	<u>-</u>	<u>366,744</u>
	<u>\$14,408,306</u>	<u>\$ 711,063</u>	<u>\$ -</u>	<u>\$15,119,369</u>
Beneficial interest in trust held by others:				
Money market funds	\$ 16,172	\$ -	\$ -	\$ 16,172
Marketable equity securities:				
Large-cap	225,799	57,705	-	283,504
Small-cap	-	33,685	-	33,685
International	-	72,307	-	72,307
Emerging markets	46,695	-	-	46,695
Mutual funds:				
Domestic fixed income	-	133,076	-	133,076
International fixed income	30,821	-	-	30,821
Commodity	42,050	-	-	42,050
Real estate investment trust	<u>35,117</u>	<u>-</u>	<u>-</u>	<u>35,117</u>
	<u>\$ 396,654</u>	<u>\$ 296,773</u>	<u>\$ -</u>	<u>\$ 693,427</u>
Liabilities:				
Interest rate swap agreements	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,329,813</u>	<u>\$ 3,329,813</u>
 <u>2013</u>				
Assets:				
Assets limited as to use and investments at fair value:				
Cash and cash equivalents	\$ 3,513,266	\$ -	\$ -	\$ 3,513,266
Certificates of deposit	-	554,282	-	554,282
Marketable equity securities:				
Large-cap	2,550,313	-	-	2,550,313
International	219,797	-	-	219,797
Mutual funds, open-ended:				
Short-term fixed income	3,304,368	-	-	3,304,368
Intermediate-term bond fund	543,938	-	-	543,938
High yield bond fund	274,582	-	-	274,582
Foreign bond	210,342	-	-	210,342
Government securities	511,971	-	-	511,971
International equities	693,837	-	-	693,837

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**11. Fair Value of Financial Instruments (Continued)**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Domestic, large-cap	\$ 816,851	\$ —	\$ —	\$ 816,851
Domestic, mid-cap	369,532	—	—	369,532
Domestic, small-cap	237,828	—	—	237,828
Real estate fund	3,868	—	—	3,868
Mutual funds, closed-ended:				
Fixed income and bond	427,663	—	—	427,663
Domestic, large-cap	2,002,955	—	—	2,002,955
Domestic, mid-cap	493,556	—	—	493,556
Domestic, small-cap	913,054	—	—	913,054
International equity	173,305	—	—	173,305
Commodity	14,383	—	—	14,383
Corporate and foreign bonds	—	903,497	—	903,497
Government and agency securities	<u>631,627</u>	<u>—</u>	<u>—</u>	<u>631,627</u>
	<u>\$17,907,036</u>	<u>\$1,457,779</u>	<u>\$ —</u>	<u>\$19,364,815</u>
Beneficial interest in trust held by others:				
Money market funds	\$ 4,555	\$ —	\$ —	\$ 4,555
Marketable equity securities:				
Large-cap	2,544,889	148,594	—	2,693,483
Mid-cap	809,286	45,600	—	854,886
Small-cap	—	33,110	—	33,110
International	319,796	40,369	—	360,165
Emerging markets	118,842	—	—	118,842
Corporate bonds	—	709,131	—	709,131
Foreign bonds	—	6,029	—	6,029
Mutual funds:				
Domestic fixed income	—	654,361	—	654,361
International equity	34,664	—	—	34,664
International fixed income	19,931	—	—	19,931
Domestic large-cap equity	67,476	—	—	67,476
Domestic mid-cap equity	16,984	—	—	16,984
Domestic small-cap equity	20,565	—	—	20,565
Commodity	5,465	—	—	5,465
Government and agency securities	20,202	—	—	20,202
Real estate investment trust	95,123	—	—	95,123
Alternative and structured asset funds	<u>33,921</u>	<u>—</u>	<u>88,834</u>	<u>122,755</u>
	<u>\$ 4,111,699</u>	<u>\$1,637,194</u>	<u>\$ 88,834</u>	<u>\$ 5,837,727</u>
Liabilities:				
Interest rate swap agreements	<u>\$ —</u>	<u>\$ —</u>	<u>\$2,758,346</u>	<u>\$ 2,758,346</u>

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**11. Fair Value of Financial Instruments (Continued)**

The table below sets forth a summary of changes in the fair value of Easter Seals NH's Level 3 assets and liabilities for the years ended August 31, 2014 and 2013:

	<u>Interest Rate Swaps</u>	<u>Alternative and Other Asset Funds</u>
Beginning balance, August 31, 2012	\$(5,135,978)	\$ 78,614
Unrealized gains, net	<u>2,377,632</u>	<u>10,220</u>
Ending balance, August 31, 2013	(2,758,346)	88,834
Unrealized loss, net	(594,854)	-
Deconsolidation of affiliate – see note 12	<u>23,387</u>	<u>(88,834)</u>
Ending balance, August 31, 2014	<u>\$(3,329,813)</u>	<u>\$ -</u>

Excluding the impact of the deconsolidation of an affiliate (see note 12), the net amounts of unrealized gains (losses) for the period attributable to the change in unrealized gains (losses) relating to the interest rate swaps still held at August 31, 2014 and 2013 were \$(594,854) and \$2,377,632, respectively. The amount of unrealized gains for the period attributable to the change in unrealized gains relating to the Level 3 investments still held at August 31, 2014 and 2013 were \$0 and \$10,220, respectively.

Easter Seals NH's other financial instruments, including cash and cash equivalents, accounts receivable from affiliates, program and other accounts receivable, contributions receivable, accounts payable, lines of credit, and long-term debt, have fair values approximating their carrying values because of the short-term nature of the financial instruments or because interest rates approximate current market rates.

**12. Deconsolidation of Related Entity**

On July 31, 2014, Easter Seals NH entered into an agreement with The Connecticut Institute for the Blind, Inc. d/b/a Oak Hill (Oak Hill), an unrelated entity, whereby Easter Seals NH agreed to transfer its sole member interest in Easter Seals CT to Oak Hill for no consideration. Accordingly, all of the assets, liabilities and net assets of Easter Seals CT were transferred to Oak Hill effective July 31, 2014. Easter Seals NH was concurrently released from all guarantees and other obligations related to Easter Seals CT. Easter Seals NH recognized a decrease in net assets of \$5,841,079 as a result of the deconsolidation of Easter Seals CT. The accompanying 2014 consolidated financial statements include the operating results of Easter Seals CT for the period from September 1, 2013 through July 31, 2014 and the year ended August 31, 2013.



**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**12. Deconsolidation of Related Entity (Continued)**

Summary statements of financial position and activities of Easter Seals CT for the period ended July 31, 2014 and year ended August 31, 2013 follow:

	July 31, 2014 <u>(Unaudited)</u>	<u>August 31,</u> 2013
<b>Assets:</b>		
Cash and cash equivalents	\$ 21,440	\$ 270,732
Program and other accounts receivable, net	18,572	283,994
Assets limited as to use	3,548,526	3,444,569
Investments, at fair value	256,832	1,699,874
Beneficial interest in trust held by others	5,719,267	5,207,585
Fixed assets	1,879,966	1,919,988
Other assets	<u>24,828</u>	<u>108,708</u>
Total assets	11,469,431	12,935,450
<b>Liabilities and net assets:</b>		
Line of credit	—	(924,658)
Deferred revenue	(3,138,717)	(3,456,204)
Long-term debt	(2,365,500)	(2,470,000)
Other liabilities	<u>(124,135)</u>	<u>(731,465)</u>
Total liabilities	<u>(5,628,352)</u>	<u>(7,582,327)</u>
Total net assets	<u>\$ 5,841,079</u>	<u>\$ 5,353,123</u>
<b>11-Month</b>		
	<b>Period Ended</b>	<b>Year Ended</b>
	<b><u>July 31, 2014</u></b>	<b><u>August 31, 2013</u></b>
Total public support and revenue	\$ 1,027,556	\$ 1,298,832
Total operating expenses	(856,861)	(1,048,542)
Other nonoperating expenses, gains and losses	<u>778,724</u>	<u>361,524</u>
Increase in net assets before discontinued operations	<u>\$ 949,419</u>	<u>\$ 611,814</u>

Losses from discontinued operations within Easter Seals CT for the eleven month period ended July 31, 2014 and year ended August 31, 2013 were \$454,230 and \$657,561, respectively.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**13. Discontinued Operations**

The accompanying consolidated financial statements include various programs and entities that are reported as discontinued operations, as follows:

- On January 25, 2012, the Board of Directors of Easter Seals New Hampshire, Inc. voted to approve discontinuing the group home and special education programs in Rutland, Vermont.
- On January 25, 2012, the Board of Directors of Easter Seals NH voted to close Harbor Schools and cease all operations of this subsidiary.
- On March 22, 2013, the Board of Directors of Easter Seals NY voted to discontinue the Bronx Early Intervention program.
- On May 2, 2014 the Sayville program in NY was discontinued as a license was not able to be obtained.
- On July 1, 2013, the Center for Therapeutic Recreation program located in Portland, Maine was transferred to the City of Portland and at that same time Easter Seals ME discontinued offering those services. On October 17, 2013, the Maine Board of Directors voted to close the Maine Vocational programs.
- On September 25, 2013, the Board of Directors of Easter Seals CT voted to discontinue the camp programs and cease all operations effective November 16, 2013.
- On June 11, 2014, the Board of Directors of Easter Seals NH voted to discontinue the Pediatric Outpatient programs located in Manchester and Dover due to significant losses the programs were experiencing.

The management of Easter Seals NH has determined that the closure of each of these programs/entities met the criteria for classification as discontinued operations. The decisions to close the programs/entities were based on performance factors.

Summary statements of financial position for each of the above discontinued programs/entities as of August 31, 2014 and 2013 are as follows:

	<u>Vermont</u>		<u>Harbor Schools</u>		<u>New York</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Total assets	\$ —	\$ —	\$878,144	\$ 872,744	\$ 32,929	\$51,896
Total liabilities	—	1,197	648,892	595,053	44,511	9,289
Net assets (deficit):						
Unrestricted	—	(1,197)	180,556	230,951	(11,582)	42,607
Temporarily restricted	—	—	24,870	22,914	—	—
Permanently restricted	—	—	23,826	23,826	—	—

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**13. Discontinued Operations (Continued)**

	<u>Maine</u>		<u>Connecticut</u>		<u>New Hampshire</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Total assets	\$ 825	\$ 1,888	\$ -	\$ 2,119,068	\$ 800,810	\$ -
Total liabilities	-	38	-	2,470,000	31,783	29,592
Net assets (deficit):						
Unrestricted	825	1,850	-	(350,932)	769,027	(29,592)

Summary statements of activities for each of the above discontinued programs/entities for the years ended August 31, 2014 and 2013 are as follows:

	<u>Vermont</u>		<u>Harbor Schools</u>		<u>New York</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Total public support and revenue	\$ -	\$ -	\$ 22,127	\$ 12,907	\$ -	\$ 320,825
Operating expenses	-	(20,310)	(70,891)	(329,961)	(192,456)	(628,465)
Other nonoperating expense, gains or losses	-	-	830	(1,469)	-	-
Gain on sale of properties, net	-	-	-	291,788	-	-
Total decrease in net assets	<u>\$ -</u>	<u>\$ (20,310)</u>	<u>\$ (47,934)</u>	<u>\$ (26,735)</u>	<u>\$ (192,456)</u>	<u>\$ (307,640)</u>

	<u>Maine</u>		<u>Connecticut</u>		<u>New Hampshire</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Total public support and revenue	\$ 4,667	\$ 210,588	\$ 57,166	\$ 774,143	\$ 1,276,909	\$ 1,996,997
Operating expenses	(42,262)	(324,009)	(511,596)	(1,431,704)	(2,018,853)	(1,970,004)
Gain (loss) on sale of properties, net	-	325	200	-	-	(15,563)
Total increase (decrease) in net assets	<u>\$ (37,595)</u>	<u>\$ (113,096)</u>	<u>\$ (454,230)</u>	<u>\$ (657,561)</u>	<u>\$ (741,944)</u>	<u>\$ 11,430</u>

During 2013 Easter Seals NH sold two properties related to the closure of certain programs, which resulted in net gains on the sales of property of \$276,550.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 14. Concentrations

Easter Seals NH maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed amounts guaranteed by the Federal Deposit Insurance Corporation. Financial instruments which subject Easter Seals to credit risk consist primarily of cash equivalents and investments. Easter Seals' investment portfolio consists of diversified investments, which are subject to market risk. Investments that exceeded 10% of investments include the "Lord Abbett Short Duration Income A Fund" as of August 31, 2014.

**OTHER FINANCIAL INFORMATION**

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

August 31, 2014

ASSETS

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	<u>Total</u>
Current assets:									
Cash and cash equivalents	\$ 1,887,115	\$ 600	\$ 10,132	\$ 500	\$ -	\$ -	\$ 858,787	\$ -	\$ 2,757,134
Accounts receivable from affiliates	6,110,436	911,119	-	-	-	-	334,353	(7,014,255)	341,653
Program and other accounts receivable, net	6,565,059	763,220	164,545	160,355	3,500	-	2,466,068	-	10,122,747
Contributions receivable, net	492,586	-	1,843	21,534	-	-	189,411	-	705,374
Current portion of assets limited as to use	300,046	-	-	-	-	-	-	-	300,046
Prepaid expenses and other current assets	<u>352,244</u>	<u>1,475</u>	<u>36,840</u>	<u>7,722</u>	<u>-</u>	<u>-</u>	<u>280,045</u>	<u>-</u>	<u>678,326</u>
Total current assets	15,707,486	1,676,414	213,360	190,111	3,500	-	4,128,664	(7,014,255)	14,905,280
Assets limited as to use, net of current portion	986,277	-	-	-	-	-	-	-	986,277
Fixed assets, net	19,655,095	31,222	24,514	22,222	-	-	5,361,330	-	25,094,383
Property held for sale	463,947	-	-	-	825,947	-	-	-	1,289,894
Bond issuance costs, net	62,218	-	-	-	-	-	172,895	-	235,113
Investments, at fair value	12,883,509	-	-	-	48,697	-	900,840	-	13,833,046
Beneficial interest in trusts held by others and other assets	<u>898,413</u>	<u>-</u>	<u>-</u>	<u>38,768</u>	<u>-</u>	<u>-</u>	<u>613,738</u>	<u>-</u>	<u>1,550,919</u>
	<u>\$50,656,945</u>	<u>\$1,707,636</u>	<u>\$ 237,874</u>	<u>\$ 251,101</u>	<u>\$ 878,144</u>	<u>\$ -</u>	<u>\$11,177,467</u>	<u>\$ (7,014,255)</u>	<u>\$57,894,912</u>

LIABILITIES AND NET ASSETS

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Current liabilities:									
Lines of credit	\$ -	\$ -	\$ -	\$ -	\$ 262,356	\$ -	\$ 1,935,548	\$ -	\$ 2,197,904
Accounts payable	1,431,692	12,425	940	3,898	-	-	458,788	-	1,907,743
Accrued expenses	3,267,969	15,892	34,088	8,220	7,696	-	917,617	-	4,251,482
Accounts payable to affiliates	3,023,524	-	2,562,288	99,631	352,590	-	976,222	(7,014,255)	-
Current portion of deferred revenue	523,300	12,557	5,000	83	26,250	-	291,068	-	858,258
Current portion of interest rate swap agreements	474,355	-	-	-	-	-	141,215	-	615,570
Current portion of long-term debt	<u>4,064,386</u>	-	-	-	-	-	<u>163,953</u>	-	<u>4,228,339</u>
Total current liabilities	12,785,226	40,874	2,602,316	111,832	648,892	-	4,884,411	(7,014,255)	14,059,296
Deferred revenue, net of current portion	999,167	-	-	-	-	-	-	-	999,167
Other liabilities	987,185	-	-	-	-	-	-	-	987,185
Interest rate swap agreements, less current portion	2,195,025	-	-	-	-	-	519,218	-	2,714,243
Long-term debt, less current portion	<u>14,173,540</u>	-	-	-	-	-	<u>4,802,760</u>	-	<u>18,976,300</u>
Total liabilities	31,140,143	40,874	2,602,316	111,832	648,892	-	10,206,389	(7,014,255)	37,736,191
Net assets (deficit):									
Unrestricted	14,428,086	1,666,763	(2,422,354)	100,501	180,556	-	235,785	-	14,189,337
Temporarily restricted	690,526	(1)	57,912	-	24,870	-	171,555	-	944,862
Permanently restricted	<u>4,398,190</u>	-	-	<u>38,768</u>	<u>23,826</u>	-	<u>563,738</u>	-	<u>5,024,522</u>
Total net assets (deficit)	19,516,802	1,666,762	(2,364,442)	139,269	229,252	-	971,078	-	20,158,721
	<u>\$50,656,945</u>	<u>\$1,707,636</u>	<u>\$ 237,874</u>	<u>\$ 251,101</u>	<u>\$ 878,144</u>	<u>\$ -</u>	<u>\$11,177,467</u>	<u>\$ (7,014,255)</u>	<u>\$57,894,912</u>

\* Includes Agency Realty, Inc., Webster Place, Inc. and Manchester Alcoholism Rehabilitation Center

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

August 31, 2013

ASSETS

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Current assets:									
Cash and cash equivalents	\$ 1,884,939	\$ 500	\$ 300	\$ 500	\$ -	\$ 270,732	\$ 885,650	\$ -	\$ 3,042,621
Accounts receivable from affiliates	8,588,060	983,077	-	-	-	-	247,471	(9,571,137)	247,471
Program and other accounts receivable, net	6,375,827	627,330	541,354	160,914	3,500	283,994	3,231,789	-	11,224,708
Contributions receivable, net	343,482	-	1,725	20,175	-	28,350	292,378	-	686,110
Current portion of assets limited as to use	288,778	-	-	-	-	253,183	-	-	541,961
Prepaid expenses and other current assets	426,695	4,950	37,302	9,276	-	80,358	225,263	-	783,844
Total current assets	17,907,781	1,615,857	580,681	190,865	3,500	916,617	4,882,551	(9,571,137)	16,526,715
Assets limited as to use, net of current portion	1,367,127	-	-	-	-	3,191,386	-	-	4,558,513
Fixed assets, net	20,574,542	1,994	29,777	20,130	-	1,919,988	5,520,453	-	28,066,884
Property held for sale	-	-	-	-	822,504	-	-	-	822,504
Bond issuance costs, net	65,290	-	-	-	-	-	179,461	-	244,751
Investments, at fair value	11,646,528	-	-	-	46,740	1,699,874	871,199	-	14,264,341
Beneficial interest in trusts held by others and other assets	969,247	-	-	35,917	-	5,207,585	618,051	-	6,830,800
	<u>\$52,530,515</u>	<u>\$1,617,851</u>	<u>\$ 610,458</u>	<u>\$ 246,912</u>	<u>\$ 872,744</u>	<u>\$12,935,450</u>	<u>\$12,071,715</u>	<u>\$ (9,571,137)</u>	<u>\$71,314,508</u>



LIABILITIES AND NET ASSETS

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Current liabilities:									
Lines of credit	\$ 1,425,875	\$ -	\$ -	\$ -	\$ 262,356	\$ 924,658	\$ 1,599,505	\$ -	\$ 4,212,394
Accounts payable	1,259,499	8,467	1,492	3,458	907	65,152	473,153	-	1,812,128
Accrued expenses	3,058,850	7,722	28,013	6,617	29,988	115,836	896,428	-	4,143,454
Accounts payable to affiliates	4,654,485	-	2,790,841	58,729	296,552	493,735	1,276,795	(9,571,137)	-
Current portion of deferred revenue	342,165	12,095	55,123	-	5,250	264,818	160,116	-	839,567
Current portion of interest rate swap agreements	525,435	-	-	-	-	39,267	143,430	-	708,132
Current portion of long-term debt	523,287	-	-	-	-	114,000	159,003	-	796,290
Total current liabilities	11,789,596	28,284	2,875,469	68,804	595,053	2,017,466	4,708,430	(9,571,137)	12,511,965
Deferred revenue, net of current portion	1,026,667	-	-	-	-	3,191,386	-	-	4,218,053
Other liabilities	1,367,458	-	-	-	-	-	-	-	1,367,458
Interest rate swap agreements, less current portion	1,699,286	-	-	-	-	17,475	333,453	-	2,050,214
Long-term debt, less current portion	17,995,953	-	-	-	-	2,356,000	4,966,714	-	25,318,667
Total liabilities	33,878,960	28,284	2,875,469	68,804	595,053	7,582,327	10,008,597	(9,571,137)	45,466,357
Net assets (deficit):									
Unrestricted	13,547,926	1,589,568	(2,279,862)	140,709	230,951	145,539	1,392,877	-	14,767,708
Temporarily restricted	734,001	(1)	14,851	1,482	22,914	-	152,190	-	925,437
Permanently restricted	4,369,628	-	-	35,917	23,826	5,207,584	518,051	-	10,155,006
Total net assets (deficit)	18,651,555	1,589,567	(2,265,011)	178,108	277,691	5,353,123	2,063,118	-	25,848,151
	\$52,530,515	\$1,617,851	\$ 610,458	\$ 246,912	\$ 872,744	\$12,935,450	\$12,071,715	\$ (9,571,137)	\$71,314,508

\* Includes Agency Realty, Inc., Webster Place, Inc. and Manchester Alcoholism Rehabilitation Center

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

Year Ended August 31, 2014

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Public support and revenue:									
Public support:									
Contributions	\$ 660,025	\$ 783	\$ 188,715	\$ 35,175	\$ -	\$ 5,902	\$ 409,654	\$ -	\$ 1,300,254
Special events, net	990,162	2,390	16,735	132,955	-	12,446	661,287	-	1,815,975
Annual campaigns, net	398,950	10,731	19,340	48,824	-	24,005	-	-	501,850
Bequests	<u>220,764</u>	-	-	<u>1,710</u>	-	<u>8,129</u>	<u>217,955</u>	-	<u>448,558</u>
Total public support	2,269,901	13,904	224,790	218,664	-	50,482	1,288,896	-	4,066,637
Revenue:									
Fees and grants from governmental agencies	37,890,398	3,257,409	2,142,632	1,114,188	-	248,623	23,072,047	-	67,725,297
Other fees and grants	19,739,085	669,021	37,471	61,137	-	9,862	4,577,720	-	25,094,296
Sales to public	4,270,196	-	-	-	-	-	-	-	4,270,196
Dividend and interest income	339,121	-	-	1,472	-	373,818	56,794	(25,255)	745,950
Rental income	1,032	-	-	-	-	-	64,746	(574)	65,204
Intercompany revenue	2,317,520	-	-	-	-	-	66,035	(2,383,555)	-
Other	<u>133,957</u>	<u>285</u>	<u>172</u>	<u>5,341</u>	-	<u>344,771</u>	<u>4,112</u>	<u>(29,450)</u>	<u>459,188</u>
Total revenue	<u>64,691,309</u>	<u>3,926,715</u>	<u>2,180,275</u>	<u>1,182,138</u>	-	<u>977,074</u>	<u>27,841,454</u>	<u>(2,438,834)</u>	<u>98,360,131</u>
Total public support and revenue	66,961,210	3,940,619	2,405,065	1,400,802	-	1,027,556	29,130,350	(2,438,834)	102,426,768
Operating expenses:									
Program services:									
Public health education	258,038	245	74	3,551	-	386	253,698	-	515,992
Professional education	29,065	-	-	-	-	-	-	-	29,065
Direct services	<u>56,578,002</u>	<u>3,518,763</u>	<u>2,156,028</u>	<u>1,164,880</u>	-	<u>576,844</u>	<u>26,023,617</u>	<u>(31,000)</u>	<u>89,987,134</u>
Total program services	56,865,105	3,519,008	2,156,102	1,168,431	-	577,230	26,277,315	(31,000)	90,532,191

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Supporting services:									
Management and general Fundraising	\$ 8,240,795 <u>862,957</u>	\$ 344,097 <u>319</u>	\$ 220,095 <u>90,098</u>	\$ 130,416 <u>141,535</u>	\$ —	\$ 147,814 <u>129,258</u>	\$ 2,722,667 <u>796,555</u>	\$ (2,386,314) <u>(13,783)</u>	\$ 9,419,570 <u>2,006,939</u>
Total supporting services	<u>9,103,752</u>	<u>344,416</u>	<u>310,193</u>	<u>271,951</u>	—	<u>277,072</u>	<u>3,519,222</u>	<u>(2,400,097)</u>	<u>11,426,509</u>
Total functional expenses	65,968,857	3,863,424	2,466,295	1,440,382	—	854,302	29,796,537	(2,431,097)	101,958,700
Support of National programs	<u>25,797</u>	—	<u>606</u>	<u>2,110</u>	—	<u>2,559</u>	<u>91,514</u>	—	<u>122,586</u>
Total operating expenses	<u>65,994,654</u>	<u>3,863,424</u>	<u>2,466,901</u>	<u>1,442,492</u>	—	<u>856,861</u>	<u>29,888,051</u>	<u>(2,431,097)</u>	<u>102,081,286</u>
Increase (decrease) in net assets from operations	966,556	77,195	(61,836)	(41,690)	—	170,695	(757,701)	(7,737)	345,482
Other nonoperating expenses, gains and losses:									
Change in fair value of interest rate swaps	(444,658)	—	—	—	—	33,354	(183,550)	—	(594,854)
Net realized and unrealized gains (losses) on investments	1,303,266	—	—	—	—	235,704	(4,020)	—	1,534,950
Increase in fair value of beneficial interest in trusts held by others	14,750	—	—	2,851	—	511,682	45,687	—	574,970
Gain (loss) on sales and disposals of property, plant and equipment	16,368	—	—	—	—	(2,016)	—	—	14,352
Other nonoperating expenses	<u>(249,092)</u>	—	—	—	—	—	—	—	<u>(249,092)</u>
Deconsolidation of affiliate	640,634	—	—	2,851	—	778,724	(141,883)	—	1,280,326
	—	—	—	—	—	<u>(5,841,079)</u>	—	—	<u>(5,841,079)</u>
Increase (decrease) in net assets before effects of discontinued operations	1,607,190	77,195	(61,836)	(38,839)	—	(4,891,660)	(899,584)	(7,737)	(4,215,271)
Loss from discontinued operations	<u>(741,943)</u>	—	<u>(37,595)</u>	—	<u>(48,439)</u>	<u>(461,463)</u>	<u>(192,456)</u>	<u>7,737</u>	<u>(1,474,159)</u>
Total increase (decrease) in net assets	865,247	77,195	(99,431)	(38,839)	(48,439)	(5,353,123)	(1,092,040)	—	(5,689,430)
Net assets (deficit) at beginning of year	<u>18,651,555</u>	<u>1,589,567</u>	<u>(2,265,011)</u>	<u>178,108</u>	<u>277,691</u>	<u>5,353,123</u>	<u>2,063,118</u>	—	<u>25,848,151</u>
Net assets (deficit) at end of year	<u>\$ 19,516,802</u>	<u>\$ 1,666,762</u>	<u>\$ (2,364,442)</u>	<u>\$ 139,269</u>	<u>\$ 229,252</u>	<u>\$ —</u>	<u>\$ 971,078</u>	<u>\$ —</u>	<u>\$ 20,158,721</u>

\* Includes Agency Realty, Inc., Webster Place Inc., and Manchester Alcoholism Rehabilitation Center

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

Year Ended August 31, 2013

	<u>* New Hampshire</u>	<u>Vermont</u>	<u>Maine</u>	<u>Rhode Island</u>	<u>Harbor Schools, Inc.</u>	<u>Connecticut</u>	<u>New York</u>	<u>Elimi- nations</u>	<u>Total</u>
Public support and revenue:									
Public support:									
Contributions	\$ 1,982,061	\$ 569	\$ 20,216	\$ 34,016	\$ -	\$ 43,732	\$ 416,983	\$ -	\$ 2,497,577
Special events, net	323,059	176	57,225	106,647	-	35,291	466,125	-	988,523
Annual campaigns, net	379,744	15,804	12,321	32,663	-	2,702	-	-	443,234
Bequests	<u>108,362</u>	<u>-</u>	<u>79,247</u>	<u>1,710</u>	<u>-</u>	<u>20,270</u>	<u>160,234</u>	<u>-</u>	<u>369,823</u>
Total public support	2,793,226	16,549	169,009	175,036	-	101,995	1,043,342	-	4,299,157
Revenue:									
Fees and grants from governmental agencies	34,749,892	2,855,468	1,328,332	1,077,769	-	346,649	23,270,093	-	63,628,203
Other fees and grants	19,378,555	727,962	30,673	64,890	-	16,554	3,794,589	-	24,013,223
Sales to public	4,019,558	-	-	-	-	-	-	-	4,019,558
Dividend and interest income	353,638	-	-	1,431	-	305,749	52,749	(31,275)	682,292
Rental income	1,240	-	-	-	-	-	143,531	-	144,771
Intercompany revenue	1,966,264	-	-	-	-	-	54,004	(2,020,268)	-
Other	<u>95,342</u>	<u>9,294</u>	<u>16</u>	<u>5,600</u>	<u>-</u>	<u>527,885</u>	<u>41,126</u>	<u>-</u>	<u>679,263</u>
Total revenue	<u>60,564,489</u>	<u>3,592,724</u>	<u>1,359,021</u>	<u>1,149,690</u>	<u>-</u>	<u>1,196,837</u>	<u>27,356,092</u>	<u>(2,051,543)</u>	<u>93,167,310</u>
Total public support and revenue	63,357,715	3,609,273	1,528,030	1,324,726	-	1,298,832	28,399,434	(2,051,543)	97,466,467
Operating expenses:									
Program services:									
Public health education	257,956	885	87	3,746	-	241	346,187	-	609,102
Professional education	41,275	-	-	-	-	-	-	-	41,275
Direct services	<u>54,105,838</u>	<u>3,177,319</u>	<u>1,235,816</u>	<u>1,073,809</u>	<u>-</u>	<u>810,933</u>	<u>24,086,980</u>	<u>(148,200)</u>	<u>84,342,495</u>
Total program services	54,405,069	3,178,204	1,235,903	1,077,555	-	811,174	24,433,167	(148,200)	84,992,872

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Supporting services:									
Management and general	\$ 7,892,260	\$ 329,705	\$ 154,349	\$ 121,246	\$ -	\$ 75,977	\$ 2,686,098	\$ (1,855,742)	\$ 9,403,893
Fundraising	<u>958,211</u>	<u>2,124</u>	<u>36,353</u>	<u>116,201</u>	-	<u>156,362</u>	<u>533,649</u>	<u>(47,601)</u>	<u>1,755,299</u>
Total supporting services	<u>8,850,471</u>	<u>331,829</u>	<u>190,702</u>	<u>237,447</u>	-	<u>232,339</u>	<u>3,219,747</u>	<u>(1,903,343)</u>	<u>11,159,192</u>
Total functional expenses	63,255,540	3,510,033	1,426,605	1,315,002	-	1,043,513	27,652,914	(2,051,543)	96,152,064
Support of National programs	<u>25,325</u>	-	<u>595</u>	<u>5,435</u>	-	<u>5,029</u>	<u>85,396</u>	-	<u>121,780</u>
Total operating expenses	<u>63,280,865</u>	<u>3,510,033</u>	<u>1,427,200</u>	<u>1,320,437</u>	-	<u>1,048,542</u>	<u>27,738,310</u>	<u>(2,051,543)</u>	<u>96,273,844</u>
Increase in net assets from operations	76,850	99,240	100,830	4,289	-	250,290	661,124	-	1,192,623
Other nonoperating expenses, gains and losses:									
Change in fair value of interest rate swaps	1,755,863	-	-	-	-	41,266	580,503	-	2,377,632
Net realized and unrealized gains (losses) on investments	715,103	-	-	-	-	112,222	(13,656)	-	813,669
Increase in fair value of beneficial interest in trusts held by others	5,861	-	-	1,429	-	208,036	24,110	-	239,436
Other nonoperating losses	(77,517)	-	-	-	-	-	(29,603)	-	(107,120)
Gain on sales and disposals of property, plant and equipment	<u>7,392</u>	-	-	-	-	-	-	-	<u>7,392</u>
	<u>2,406,702</u>	-	-	<u>1,429</u>	-	<u>361,524</u>	<u>561,354</u>	-	<u>3,331,009</u>
Increase in net assets before effects of discontinued operations	2,483,552	99,240	100,830	5,718	-	611,814	1,222,478	-	4,523,632
Income (loss) from discontinued operations	<u>11,430</u>	<u>(20,310)</u>	<u>(113,096)</u>	-	<u>(26,735)</u>	<u>(657,561)</u>	<u>(307,640)</u>	-	<u>(1,113,912)</u>
Total increase (decrease) in net assets	2,494,982	78,930	(12,266)	5,718	(26,735)	(45,747)	914,838	-	3,409,720
Net assets (deficit) at beginning of year	<u>16,156,573</u>	<u>1,510,637</u>	<u>(2,252,745)</u>	<u>172,390</u>	<u>304,426</u>	<u>5,398,870</u>	<u>1,148,280</u>	-	<u>22,438,431</u>
Net assets (deficit) at end of year	<u>\$ 18,651,555</u>	<u>\$ 1,589,567</u>	<u>\$ (2,265,011)</u>	<u>\$ 178,108</u>	<u>\$ 277,691</u>	<u>\$ 5,353,123</u>	<u>\$ 2,063,118</u>	-	<u>\$ 25,848,151</u>

\* Includes Agency Realty, Inc., Webster Place Inc., and Manchester Alcoholism Rehabilitation Center

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended August 31, 2014

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Salaries and related expenses	\$ 48,494,900	\$ 2,970,136	\$ 1,999,154	\$ 1,053,169	\$ -	\$ 544,811	\$ 21,791,248	\$ -	\$ 76,853,418
Professional fees	6,982,525	533,037	188,905	228,820	-	211,335	3,776,125	(2,413,005)	9,507,742
Supplies	1,750,451	23,661	19,749	6,305	-	6,169	871,909	-	2,678,244
Telephone	684,805	15,065	6,345	9,051	-	3,934	148,073	-	867,273
Postage and shipping	70,760	1,033	3,123	2,173	-	1,280	34,635	-	113,004
Occupancy	2,097,572	85,308	168,892	84,892	-	49,802	1,593,939	-	4,080,405
Outside printing, artwork and media	67,850	3,479	9,570	4,559	-	449	41,120	-	127,027
Travel	2,231,402	118,835	6,591	39,351	-	8,863	189,950	(69)	2,594,923
Conventions and meetings	168,077	18,125	16,466	1,254	-	9,710	156,942	-	370,574
Specific assistance to individuals	968,332	70,856	22,066	-	-	12,455	171,751	-	1,245,460
Dues and subscriptions	22,081	-	2,424	125	-	870	15,339	-	40,839
Minor equipment purchases- and equipment rental	215,839	18,748	7,922	7,850	-	1,698	117,599	-	369,656
Ads, fees and miscellaneous	27,699	1,937	2,542	355	-	230	11,013	-	43,776
Interest	885,953	-	-	-	-	-	308,286	(18,023)	1,176,216
Bad debt provision	-	-	-	-	-	-	-	-	-
Facility tax assessment	-	-	-	-	-	-	182,791	-	182,791
Depreciation and amortization	1,300,611	3,204	12,546	2,478	-	2,696	385,817	-	1,707,352
	<u>\$ 65,968,857</u>	<u>\$ 3,863,424</u>	<u>\$ 2,466,295</u>	<u>\$ 1,440,382</u>	<u>\$ -</u>	<u>\$ 854,302</u>	<u>\$ 29,796,537</u>	<u>\$ (2,431,097)</u>	<u>\$ 101,958,700</u>

\* Includes Agency Realty, Inc., Webster Place Inc., and Manchester Alcoholism Rehabilitation Center

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2013

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Salaries and related expenses	\$ 46,435,814	\$ 2,582,606	\$ 1,182,486	\$ 950,569	\$ -	\$ 755,476	\$ 19,897,017	\$ -	\$ 71,803,968
Professional fees	6,607,471	573,778	49,472	197,171	-	128,550	3,683,964	(2,020,268)	9,220,138
Supplies	1,847,054	24,018	26,253	7,177	-	26,740	770,402	-	2,701,644
Telephone	676,981	15,458	3,861	7,864	-	6,589	131,845	-	842,598
Postage and shipping	76,565	1,528	2,604	2,455	-	908	30,711	-	114,771
Occupancy	2,011,739	55,018	128,009	83,516	-	52,053	1,488,120	-	3,818,455
Outside printing, artwork and media	73,284	4,336	5,082	7,299	-	10,719	29,277	-	129,997
Travel	2,241,712	114,616	2,695	42,513	-	10,516	191,172	-	2,603,224
Conventions and meetings	214,794	27,374	2,162	1,668	-	11,465	134,065	-	391,528
Specific assistance to individuals	712,548	87,860	2,648	-	-	595	153,140	-	956,791
Dues and subscriptions	24,498	538	4,902	1,246	-	1,280	16,753	-	49,217
Minor equipment purchases- and equipment rental	292,938	19,148	9,519	11,565	-	7,157	85,912	-	426,239
Ads, fees and miscellaneous	47,695	2,962	3,044	225	-	1,594	44,104	-	99,624
Interest	779,392	-	-	-	-	26,201	319,338	(31,275)	1,093,656
Facility tax assessment	-	-	-	-	-	-	311,041	-	311,041
Depreciation and amortization	1,213,055	793	3,868	1,734	-	3,670	366,053	-	1,589,173
	<u>\$ 63,255,540</u>	<u>\$ 3,510,033</u>	<u>\$ 1,426,605</u>	<u>\$ 1,315,002</u>	<u>\$ -</u>	<u>\$ 1,043,513</u>	<u>\$ 27,652,914</u>	<u>\$ (2,051,543)</u>	<u>\$ 96,152,064</u>

\* Includes Agency Realty, Inc., Webster Place Inc., and Manchester Alcoholism Rehabilitation Center

**Easter Seals New Hampshire, 555 Auburn Street, Manchester, NH 03103  
2015 Board of Directors**

Chairman

**Jim Bee**

**Dennis Beaulieu**

General Counsel &

Assistant Secretary

(non voting member)

**Bradford Cook, Esq.**

Past Chairman

**Richard Rawlings**

**Cynthia Makris**

**Eleanor Dahar**

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Vice Chairman

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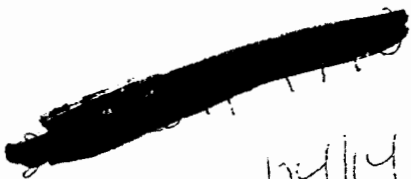
**Tracey Colucci**

Vice Chairman - VT

**Sally Garmon**



**Shannon M Farrell, DMD**



2/24/14  
102 km for  
References?

**Experienced Dental Clinician**

- Maximizing value of people and resources in dental practices
- Ensuring effective use of plan resources within dental networks
- Accelerating practice growth through integration of varied dental services
- Motivating employees and building team culture by communicating business philosophy and goals

**Experience and Accomplishments**

Independent contractor  
Gentle Dental of Tilton, NH  
Dunbarton Family Dental  
Dental Arts of Bedford

2009-present

Wellness Dental, Manchester NH

2006-3/2009

*Clinical partner*

Aspen Dental , West Springfield, MA

2003-2006

*Managing Clinical Director*

1st Advantage Dental, Northampton, MA

2002-2003(Nov-June)

*Associate*

NorthEast Dental, Manchester, CT

2001-2003

*Chief Dentist*

- Provide clinical and operational practice leadership for growth-oriented group dental Practice management firm with multiple locations.
- Provide clinical services, direct day-to-day practice operations and develop strategies for patient retention. Manage employees in practice administration, laboratory, dental services

P&R Dental Strategies, New York, New York

December 2000-July 2001

*Consultant*

- Performed independent clinical reviews of insurance claims from private general dental practices, including group practices, assuring quality and standard of dental care compliance for major insurance carriers throughout the United States.

<i>Practice owner</i>	1995-2000
<i>Associate dentist</i>	1989-1995

#### Education

DMD	1985-1989	Tuft's University School of Dental Medicine,
	1983-1985	Columbia University
A.S.	1980-1982	University of Bridgeport,
		Fones School of Dental Hygiene
CDA	1977-1978	Briarwood College

#### Professional licensure and certifications

- Licensed Dentist: MA, NY, CT(inactive) NH
- Registered: Federal DEA, MA Controlled substance
- CPR professional certificate
- Advanced dental implantology, Branemark system
- Invisalign Certified
- Mini Implant Certified

#### Recognition

- Published: Journal of Prosthetic Dentistry-June, 1991

# Kara Malenfant

205

Sandown,

## PROFILE

Experienced Dental Assistant with two years of experience seeking for a full time/part time job. Passes knowledge of Dentrax software, digital x-rays, and CEREC machine. CPR and radiology certified. Strong communication, organization, and anticipation skills. Ability to handle multiple tasks in a fast paced environment.

## EDUCATION

Middlesex Community College

Lowell, MA

*Associates in Science in Dental Assisting*

May, 2013

Relevant Courses: Radiology, Preventive Dentistry, Dental Practice Management, Anatomy and Physiology

## EXPERIENCE

Plaistow Dental

Plaistow, NH

*General Dentist*

2012-2013

- Work chair side as dentist examine and treat patients.
- Provided patient comfort and obtain their dental records.
- Hand instruments/materials to dentist and keep patients' mouth dry.
- Sterilize/disinfect instruments and equipment.
- Prepare patient procedures.
- Take impressions and poring models.
- Make digital FMX, PA, bite wings.
- Schedule patient appointments.
- Present patient oral after care instructions.

BayState Oral Surgery

Haverhill, MA

*Oral and Maxillofacial Dentist*

2012-2012

*Internship*

- Assists with dental surgeries.
- Sterilized/disinfect instruments and equipment.
- Made PA and PANO x-rays.
- Call insurance companies.
- Schedule patient appointments.

Lawrence/

- Present patient oral after care instructions.

Bradford Orthodontics

Bradford, MA

*Orthodontic Dentist*

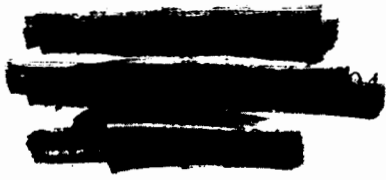
2012-2012

*Internship*

- Transferred instruments.
- Prepared dental materials.
- Taking bite registrations, impressions and pouring models.
- Sterilize/disinfect instruments and operatory.
- Bracket set up.
- Separator placement.
- Tooth preparation.
- Wire removal and placement.
- Presented patient oral after care instructions.

Bethany, Isleib@gmail.com

**Bethany Isleib**



**Education:**

**Granite State College:**

Bachelor's in Science of Psychology Current

**NHTI:**

Associates in Health Science May 2013

Certification in Dental Assisting May 2009

**Work Experience:**

**Vachon Dental Current- Dec.2010**

- Assist chairside in general dentistry
- Provide patient comfort and education to dental needs
- Fabrication of mouthguards, nightguards, implant stents, bleaching trays, and temporary crowns
- Responsible for sterilizing instruments, inventory, and all infection control protocol in the office including MSDS

**3 Stone Dental Current- Feb.2012**

- Secondary assistant responsible for restorative chairside procedures
- Provide patient comfort and education
- Responsibility for room preparation such as stocking and appropriate breakdown of the room

**Skills:**

- CPR certified
- DANB certified
- Knowledge of Practiceworks, Eaglesoft, and Softdent software
- Knowledge of Waterlase hard and soft tissue laser
- A willingness to learn all aspects of dentistry
- Radiology Certified digital and film

**Reference:**

Dr. Shannon Farrell (203) 641-4790

Dr. Jeffrey Vachon (603) 627-2092

**CONTRACTOR NAME**

Easter Seals NH, Inc.

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Larry Gammon	President & CEO	\$352,452	0%	\$ 0.00
Elin Treanor	Chief Financial Officer	\$240,000	0%	\$ 0.00
Susan Ryan	Chief Operating Officer	\$160,000	0%	\$ 0.00
Christina Lachance	Vice President	\$ 95,000	0%	\$ 0.00
Shannon Farrell, DDS	Dentist	\$135,000	6.41%	\$ 8,654.00
Ellen Therrien	Dental Hygienist	\$ 67,213	6.41%	\$ 4,308.00

  
8/3/2016

Subject: Senior Oral Health Program

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> Department of Health & Human Services		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301	
<b>1.3 Contractor Name</b> Families First of the Greater Seacoast		<b>1.4 Contractor Address</b> 100 Campus Drive Portsmouth, NH 03840	
<b>1.5 Contractor Phone Number</b> 603-422-8208	<b>1.6 Account Number</b> 05-95-48-481010-8917-102-500731	<b>1.7 Completion Date</b> September 30, 2016	<b>1.8 Price Limitation</b> \$27,886.
<b>1.9 Contracting Officer for State Agency</b> Eric D. Borrin		<b>1.10 State Agency Telephone Number</b> (603) 271-9558	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> Helen B. T. T. Executive Director	
<b>1.13 Acknowledgement:</b> State of <u>NH</u> , County of <u>Rockingham</u> On <u>5/19/15</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.			
<b>1.13.1 Signature of Notary Public or Justice of the Peace</b> [Seal]  Exp. 12/19/18			
<b>1.13.2 Name and Title of Notary or Justice of the Peace</b> SUZANNE COOMBS, NOTARY			
<b>1.14 State Agency Signature</b> 		<b>1.15 Name and Title of State Agency Signatory</b> D. Langley, Director	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution)</b> By:  Megan A. V. Attorney On: 8/27/15			
<b>1.18 Approval by the Governor and Executive Council</b> By: _____ On: _____			

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

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

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

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**  
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.  
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.  
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

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

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



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

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

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

**9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

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

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

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

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

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

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

**14. INSURANCE.**

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

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

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

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

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

Contractor Initials:   JMS    
Date:   5/19/15

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

**19. CONSTRUCTION OF AGREEMENT AND TERMS.**

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

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

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

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

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

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



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**Scope of Services**

**1. SCOPE OF SERVICES:**

1.1. The Contractor will:

1.1.1. Provide dental treatments to adults ages 60 and up who need early or immediate intervention and lack the financial resources for dental treatment, and who reside in any city or town in New Hampshire, as follows:

1.1.1.1. Accept client referrals from the Department;

1.1.1.2. Complete an oral health diagnosis for each client;

1.1.1.3. Diagnose oral health issues and problems and develop a dental treatment plan based on the client's identified oral health and/or treatment needs;

1.1.1.4. Schedule and remind clients of their dental appointments;

1.1.1.5. Perform, with the individual's approval, dental services and treatment in accordance with the Exhibit B-1 Dental Fee Schedule up to a \$2,000 limit per individual patient for the contract period;

1.1.1.6. Follow up with clients to ensure their pain or infection was alleviated after receiving dental treatment(s);

1.1.1.7. Provide client level data in a secure, electronic format as specified by the Department for completion of required reports; and

**2. Licensing Requirements:**

The Contractor will ensure that the dentist(s) performing services under this agreement, including any subcontract agreements, must possess a current dental license issued by the State of New Hampshire Board of Dental Examiners.

**3. Cultural Considerations:**

The Contractor will 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.

**4. Criminal Background Check:**

Contractor shall conduct a New Hampshire criminal background check for a potential applicant for employment or volunteer, funded under this contract.



Exhibit A

**5. DHHS' Bureau of Elderly and Adult Services' (BEAS) State Registry:**

Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49 Registry, VII, which requires that all employers of programs that are licensed, certified, or funded by the NH Department of Health and Human Services to provide services, submit the name of prospective employees who may have client contact for review against the registry of founded reports of abuse, neglect, and exploitation of incapacitated adults.

**6. Contract Monitoring**

6.1. The Contractor will:

- 6.1.1. Participate in an "on-site review," conducted by the Department, of the records of clients who received dental care and treatment in the program.
- 6.1.2. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.
- 6.1.3. Ensure the Department is provided with access that includes but is not limited to:
  - 6.1.3.1. Data;
  - 6.1.3.2. Financial records;
  - 6.1.3.3. Scheduled access to Contractor work sites/locations/work spaces and associated facilities;
  - 6.1.3.4. Unannounced access to Contractor work sites/locations/work spaces and associated facilities;
  - 6.1.3.5. Scheduled phone access to Contractor principals and staff.

*Remainder of Page Left Intentionally Blank*



## Exhibit B

### Method and Conditions Precedent to Payment

1. Price Limitation. This Agreement is one of multiple Agreements that will serve the Senior Oral Health Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
2. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Department shall reimburse the Contractor for actual dental service(s) provided by the contractor to eligible individuals, resulting from referrals made by the Department and in accordance with Exhibit A, Scope of Services.
3. Reimbursement shall be based on the Senior Oral Health Program, Dental Fee Schedule, identified in Exhibit B-1.
4. Reimbursement Limits per Patient. Reimbursement is limited to \$2,000 per patient for during the Agreement period, depending on the availability of funding. Any additional treatment that exceeds the limit per patient shall be at the sole expense of the participating dental practice or clinic.
5. Contract dentists shall complete and submit Dental Claim Forms provided by the Bureau of Elderly and Adult Services for each client, due within 15 days from the date of treatment.  
Dental Claim forms shall be sent to:  
Bureau of Elderly and Adult Services  
Administrator, Community Programs and Long-Term Care  
129 Pleasant Street  
Concord, NH 03301
6. Notwithstanding anything to the contrary herein, the Contractor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State Law, rule or regulation applicable to the services provided, or if the said services have not been satisfactory completed in accordance with the terms and condition of this Agreement.
7. The funding source for this Agreement for Dental Services is 100% federal funds from the Administration for Community Living, Title III, Part D, Disease Prevention and Health Promotion Services, CFDA 93.043. The Contractor agrees to provide the services in Exhibit A, Scope of Services in compliance with funding requirements.
8. The contractor shall have or secure a vendor number with the State of New Hampshire to receive payment from the DHHS.
9. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT). Exceptions to using EFT for payment shall be made upon prior approval of the BEAS Financial Manager or designee.



Exhibit B-1

**NH Bureau of Elderly and Adult Services, Older Adult Oral Health Program (ages 60+)  
Dental Fee Schedule as of February 2015**

Code	Procedure	Fee
D0120	Periodic oral evaluation	41.00
D0140	Limited oral evaluation	60.00
D0210	Intraoral-complete series	96.00
D0220	Intraoral-Periapical 1st film	15.00
D0230	Intraoral-Periapical each additional	10.00
D0270	Bitewings - Xray	17.00
D0272	Bitewings - two films	25.00
D0274	Bitewings - four films	45.00
D0330	Panoramic film	83.00
D2140	Amalgam - 1 surface	150.00
D2150	Amalgam - 2 surface	155.00
D2160	Amalgam - 3 surface	180.00
D2161	Amalgam - 4/4+ surface	200.00
D2330	Resin-1 surface anterior	131.00
D2331	Resin-2 surface anterior	143.00
D2332	Resin-3 surface anterior	147.00
D2335	Resin-4/4+ surface anterior	165.00
D2391	Resin-1 surface posterior	150.00
D2392	Resin-2 surface posterior	155.00
D2393	Resin-3 surface posterior	180.00
D2394	Resin-4/4+ surface posterior	200.00
D4341	Scaling and root planing (per quadrant)	100.00
D4355	Full mouth debridement	90.00
D5110	Complete denture-maxillary	800.00
D5120	Complete denture-mandibular	800.00
D5130	Immediate denture-maxillary	875.00
D5140	Immediate denture-mandibular	875.00
D5211	Maxillary partial-resin base	600.00
D5212	Maxillary partial-resin base	600.00
D5410	Adjust complete denture, maxillary	50.00
D5411	Adjust complete denture, mandibular	50.00
D5421	Adjust partial denture, maxillary	50.00
D5422	Adjust partial denture, mandibular	50.00
D5520	Replace denture teeth	127.00
D5750	Reline complete maxillary denture	244.00
D5751	Reline complete mandibular denture	244.00
D7140	Extraction-erupted/exposed	150.00
D7210	Extraction-surgical-imp bony	225.00
D7240	Removal of Impacted Tooth Tissue	225.00
D7310	Alveoloplasty - per quadrant	275.00
D7472	Removal of torus palatinus Mandibular 2 quadrants	400.00
D5760	Reline maxillary parital denture	99.00
D5761	Reline mandibular partial denture	99.00



**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.





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.
3. The Department reserves the right to renew the Contract for up to two additional years, subject to the continued availability of funds, satisfactory performance of services and approval by the Governor and Executive Council.



**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: Families First of the Granite  
Seacoast

5/19/15  
Date

Walter B. Tuff  
Name: Walter B. Tuff  
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-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: Families First of the Greater Seacoast

5/19/15  
Date

Helen B. Telt  
Name: Helen B. Telt  
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 (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 First of the Greater Seacoast*

5/19/15  
Date

*Helen B. Telt*  
Name: *Helen B. Telt*  
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 JWT

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 First of the Greater Seacoast

5/19/15  
Date

Helen B. Tyft  
Name: Helen B. Tyft  
Title: Executive Director

Exhibit G

Contractor Initials HBT

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 First of the Greater Seacoast*

Date 5/19/15

*Helen B. Tift*  
Name: *Helen B. Tift*  
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 (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 + Human Services  
The State

[Signature]  
Signature of Authorized Representative

Diane Langley  
Name of Authorized Representative

Director  
Title of Authorized Representative

8/11/15  
Date

Families First of the Greater Seacoast  
Name of the Contractor

[Signature]  
Signature of Authorized Representative

Helen B. Tift  
Name of Authorized Representative

Executive Director  
Title of Authorized Representative

5/19/15  
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: *Familia First of the Greater Seacoast*

5/19/15  
Date

Helen B. Taft  
Name: *Helen B. Taft*  
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: 85-844-458
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:

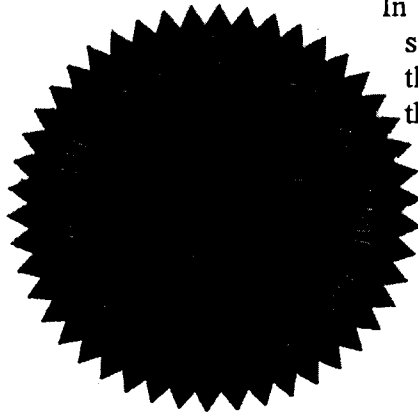
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

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 FIRST OF THE GREATER SEACOAST is a New Hampshire nonprofit corporation formed August 28, 1986. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.

In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 1<sup>st</sup> day of April A.D. 2015



*William M. Gardner*

William M. Gardner  
Secretary of State

**CERTIFICATE OF VOTE**

I, Linda Sanborn, 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 First of the Greater Seacoast  
(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 5/18/15:  
(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 19 day of May, 2015.  
(Date Contract Signed)

4. Helen B. Taft is the duly elected Executive Director  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

[Signature]

(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Rockingham

The forgoing instrument was acknowledged before me this 19<sup>th</sup> day of May, 2015.

By Linda Sanborn  
(Name of Elected Officer of the Agency)

[Signature]  
(Notary Public/Justice of the Peace)

NOTARY SEAL

**Kimberlee A. Durkee**  
**Notary Public**

Commission Expires: My Commission Expires April 3, 2018



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
1/21/2015

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

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

<b>PRODUCER</b> <b>Tobey &amp; Merrill Insurance</b> 20 High Street  <b>Hampton NH 03842-2214</b>	<b>CONTACT NAME:</b> Edward Jackson <b>PHONE (A/C No. Ext):</b> (603) 926-7655 <b>E-MAIL ADDRESS:</b> edward@tobeymerrill.com	<b>FAX (A/C No.):</b> (603) 926-2135
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> <b>Families First of the Greater Seacoast</b> 100 Campus Dr Ste 12 Suite 12 <b>Portsmouth NH 03801</b>	<b>INSURER A:</b> Peerless Indemnity <b>NAIC #</b> 18333	
	<b>INSURER B:</b> Peerless Insurance Company <b>24198</b>	
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
	<b>INSURER F:</b>	

**COVERAGES**                      **CERTIFICATE NUMBER:** CL1512103505                      **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 WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			BOP8358757	12/29/2014	12/29/2015	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/DP AGG \$ 4,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO. JECT <input type="checkbox"/> LOC						
B	<b>AUTOMOBILE LIABILITY</b> <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			BA5375202	12/29/2014	12/29/2015	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
	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE						
B	<input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			CU8353458	12/29/2014	12/29/2015	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N/A	WC5055429	12/29/2014	12/29/2015	WC STATUTORY LIMITS    OTHER E L EACH ACCIDENT \$ 1,000,000 E L DISEASE - EA EMPLOYEE \$ 1,000,000 E L DISEASE - POLICY LIMIT \$ 1,000,000

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

<b>CERTIFICATE HOLDER</b>  DHHS 129 Pleasant St 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  Dean Merrill CIC/LSA

# **Families First**

---

*support for families...health care for all*

## **Mission Statement**

Families First Health and Support Center contributes to the health and well-being of the Seacoast community by providing a broad range of health and family services to all, regardless of ability to pay.

## **Vision Statement**

We envision a strong community that provides fully for the health and well-being of all its members.

## **Guiding Principles**

Families First will:

- offer a broad array of health and family services to meet evolving community needs;
- meet a standard of excellence in all services;
- ensure that no one is turned away due to inability to pay;
- treat clients respectfully and with concern for dignity;
- integrate services wherever possible;
- partner with other organizations to help realize our vision.



# **Families First**

**of the Greater Seacoast**

**Financial Report**

**June 30, 2014**

## **CONTENTS**

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## **Independent Auditors' Report**

To the Board of Directors  
Families First of the Greater Seacoast  
Portsmouth, New Hampshire

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Families First of the Greater Seacoast (a nonprofit organization) which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

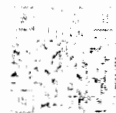
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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  
Families First of the Greater Seacoast

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families First of the Greater Seacoast as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

*Maspague LLC*

South Portland, Maine  
December 9, 2014

## Statements of Financial Position

June 30,

	2014	2013
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash (note 2)	\$ 172,728	\$ 74,547
Cash, fiscal agent (note 9)	195	195
Grants receivable (note 3)	117,416	67,300
Accounts receivable, (notes 1 and 4)	175,066	131,560
Current portion of pledges receivable (notes 1 and 5)	237,990	336,748
Other receivables (note 6)	2,776	26,620
Prepaid expenses	31,035	15,133
<b>Total Current Assets</b>	<u>737,206</u>	<u>652,103</u>
<b>Cash, restricted for capital purposes</b>	<u>227,720</u>	
<b>Pledges Receivable, net of current portion (notes 1 and 5)</b>	<u>370,000</u>	
<b>Property and Equipment, Net (notes 1 and 7)</b>	<u>282,850</u>	<u>247,982</u>
<b>Investments</b>		
Endowment (notes 8 and 19)	1,537,015	1,392,530
Board designated	780	66,360
<b>Total Investments</b>	<u>1,537,795</u>	<u>1,458,890</u>
<b>Total Assets</b>	<u>\$ 3,155,571</u>	<u>\$ 2,358,985</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Line of credit	\$ 243,849	
Accounts payable	116,956	\$ 85,519
Accrued expenses	312,264	287,904
Amount due, fiscal agent (note 9)	195	195
Deferred revenue	11,780	24,476
<b>Total Current Liabilities</b>	<u>685,044</u>	<u>398,094</u>
<b>Net Assets</b>		
Unrestricted	(7,062)	177,628
Temporarily restricted (notes 8 and 12)	1,276,902	583,076
Permanently restricted (notes 8 and 13)	1,200,687	1,200,187
<b>Total Net Assets</b>	<u>2,470,527</u>	<u>1,960,891</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 3,155,571</u>	<u>\$ 2,358,985</u>

**Statements of Activities**

Year Ended June 30, 2014

**PUBLIC SUPPORT AND REVENUES:**

**Public Support**

Contributions  
Grants and contracts  
Total public support

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	\$ 1,222,353	\$ 1,672,695	\$ 500	\$ 2,895,548
	<u>992,590</u>			<u>992,590</u>
	<u>2,214,943</u>	<u>1,672,695</u>	<u>500</u>	<u>3,888,138</u>

**Revenues**

Patient service revenue (note 11)  
Provision for bad debt  
Net patient service revenue  
Investment income - endowment (note 8)  
Investment income - board designated  
Gain on investments - endowment (note 8)  
Gain on investments - board designated  
Miscellaneous  
Total revenue  
Public support and revenues

	1,623,471			1,623,471
	<u>(37,860)</u>			<u>(37,860)</u>
	<u>1,585,611</u>			<u>1,585,611</u>
	899	26,990		26,990
		176,668		176,668
	4,545			4,545
	<u>43,752</u>			<u>43,752</u>
	<u>1,634,807</u>	<u>203,658</u>		<u>1,838,465</u>
	<u>3,849,750</u>	<u>1,876,353</u>	<u>500</u>	<u>5,726,603</u>

**Net Assets Released from Restrictions**

	1,182,527	(1,182,527)		
--	-----------	-------------	--	--

**TOTAL PUBLIC SUPPORT AND REVENUES**

	<u>5,032,277</u>	<u>693,826</u>	<u>500</u>	<u>5,726,603</u>
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**EXPENSES**

Program services  
Management and general  
Fundraising  
Total expenses

	4,511,400			4,511,400
	<u>527,250</u>			<u>527,250</u>
	<u>178,317</u>			<u>178,317</u>
	<u>5,216,967</u>			<u>5,216,967</u>

**CHANGE IN NET ASSETS**

	(184,690)	693,826	500	509,636
--	-----------	---------	-----	---------

**NET ASSETS, BEGINNING OF YEAR**

	177,628	583,076	1,200,187	1,960,891
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**NET ASSETS, END OF YEAR**

	<u>\$ (7,062)</u>	<u>\$ 1,276,902</u>	<u>\$ 1,200,687</u>	<u>\$ 2,470,527</u>
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**Statements of Activities - Continued**

Year Ended June 30, 2013

**PUBLIC SUPPORT AND REVENUES:**

**Public Support**

Contributions  
Grants and contracts  
Total public support

**Revenues**

Patient service revenue (note 11)  
Provision for bad debt  
Net patient service revenue  
Investment income - endowment (note 8)  
Investment income - board designated  
Gain on investments - endowment (note 8)  
Gain on investments - board designated  
Miscellaneous  
Total revenue  
Public support and revenues

**Net Assets Released from Restrictions**

**TOTAL PUBLIC SUPPORT AND REVENUES**

**EXPENSES**

Program services  
Management and general  
Fundraising  
Total expenses

**CHANGE IN NET ASSETS**

**NET ASSETS, BEGINNING OF YEAR**

**NET ASSETS, END OF YEAR**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	\$ 1,404,161	\$ 640,797		\$ 2,044,958
	<u>940,575</u>			<u>940,575</u>
	<u>2,344,736</u>	<u>640,797</u>		<u>2,985,533</u>
	1,577,353			1,577,353
	<u>(43,860)</u>			<u>(43,860)</u>
	<u>1,533,493</u>			<u>1,533,493</u>
	2,322	42,953		42,953
		135,824		135,824
	1,630			1,630
	<u>82,505</u>			<u>82,505</u>
	<u>1,619,950</u>	<u>178,777</u>		<u>1,798,727</u>
	<u>3,964,686</u>	<u>819,574</u>		<u>4,784,260</u>
	654,433	<u>(654,433)</u>		
	<u>4,619,119</u>	<u>165,141</u>		<u>4,784,260</u>
	4,365,565			4,365,565
	<u>540,959</u>			<u>540,959</u>
	<u>157,595</u>			<u>157,595</u>
	<u>5,064,119</u>			<u>5,064,119</u>
	<u>(445,000)</u>	165,141		<u>(279,859)</u>
	622,628	<u>417,935</u>	\$ 1,200,187	<u>2,240,750</u>
	\$ 177,628	\$ 583,076	\$ 1,200,187	\$ 1,960,891

## Statements of Cash Flows

Years ended June 30,

	2014	2013
<b>Cash flows from operating activities</b>		
Change in net assets	<u>\$ 509,636</u>	<u>\$ (279,859)</u>
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation expense	72,007	98,920
Contribution for capital purposes	(339,980)	
Gain on investments	(181,213)	(137,454)
Provision for bad debt	37,860	43,860
(Increase) decrease in operating assets:		
Cash, fiscal agent		3,000
Grants receivable	(50,116)	(7,035)
Accounts receivable	(81,366)	(41,318)
Pledges receivable	(271,242)	(29,435)
Other receivable	23,844	26,378
Prepaid expenses	(15,902)	5,016
Increase (decrease) in operating liabilities:		
Accounts payable	31,437	21,602
Accrued expenses	24,360	63,240
Amount due, fiscal agent		(3,000)
Deferred revenue	(12,696)	(89,098)
Total adjustments	<u>(763,007)</u>	<u>(45,324)</u>
<b>Net cash flows from operating activities</b>	<u>(253,371)</u>	<u>(325,183)</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(106,865)	(10,186)
Purchase of investments	(1,666,920)	
Proceeds from sale of investments	1,769,228	8,420
<b>Net cash flows from investing activities</b>	<u>(4,557)</u>	<u>(1,766)</u>
<b>Cash flows from financing activities:</b>		
Net borrowings from line of credit	243,849	
Contribution received for capital purposes	339,980	
<b>Net cash provided by financing activities</b>	<u>583,829</u>	
<b>Net change in cash and cash equivalents</b>	325,901	(326,949)
<b>Cash and cash equivalents at beginning of year</b>	<u>74,547</u>	<u>401,496</u>
<b>Cash and cash equivalents at end of year (includes cash restricted for capital purposes)</b>	<u>\$ 400,448</u>	<u>\$ 74,547</u>
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid during year	\$ 4,410	



## Statements of Functional Expenses

Year Ended June 30, 2014

	Health Services		
	Primary Care	Dental	Homeless
Salaries	\$ 1,526,223	\$ 522,216	\$ 519,374
Payroll taxes/benefits	246,147	80,156	71,685
Professional fees/contract labor	129,376	16,820	57,381
Medical/laboratory costs	128,080	58,731	29,531
Physicians/dentists	108,742	36,213	51,106
Office	19,844	11,146	47,935
Miscellaneous	21,006	3,458	5,597
Travel	3,510	896	23,553
Conferences	5,648	2,702	6,706
Dues/publications	7,718	1,354	1,470
Depreciation	7,341	23,298	16,432
Rent (note 15)	62,027	11,143	5,200
Telephone	5,569	771	3,465
Postage	361	6	6
Insurance	8,500	2,362	3,979
Printing	2,864	981	908
Computer operations	53,146	19,397	21,551
Flexible funds			
Program expenses	50,589	4,742	7,369
	<u>\$ 2,386,691</u>	<u>\$ 796,392</u>	<u>\$ 873,248</u>

**Statements of Functional Expenses - Continued**

Year Ended June 30, 2014

	Family Services	Total Program	Management and General	Fundraising	Total
Salaries	\$ 258,228	\$ 2,826,041	\$ 332,586	\$ 132,576	\$ 3,291,213
Payroll taxes/benefits	44,320	442,308	47,962	25,262	515,532
Professional fees/contract labor	37,225	240,802	22,479	24	263,305
Medical/laboratory costs	2	216,344			216,344
Physicians/dentists		196,061			196,061
Office	13,158	92,083	22,134	3,532	117,749
Miscellaneous	728	30,789	32,207	4,657	67,653
Travel	14,351	42,310	3,020	298	45,628
Conferences	337	15,393	548		15,941
Dues/publications	493	11,035	7,833	50	18,918
Depreciation	216	47,287	24,720		72,007
Rent (note 15)	45,437	123,806			123,806
Telephone	3,671	13,476	475		13,951
Postage	4	377	20,567	1,486	22,430
Insurance	1,500	16,341	9,404		25,745
Printing	402	5,155	592	9,040	14,787
Computer operations	9,130	103,225	2,263	377	105,865
Flexible funds	24,460	24,460			24,460
Program expenses	1,407	64,107	450	1,015	65,572
	<b>\$ 455,069</b>	<b>\$ 4,511,400</b>	<b>\$ 527,250</b>	<b>\$ 178,317</b>	<b>\$ 5,216,967</b>

**Statements of Functional Expenses**

Year Ended June 30, 2013

	Health Services		
	Primary Care	Dental	Homeless
Salaries	\$ 1,443,761	\$ 482,291	\$ 405,383
Payroll taxes/benefits	261,220	83,963	53,403
Professional fees/contract labor	127,444	17,482	62,463
Medical/laboratory costs	121,902	70,854	26,352
Physicians/dentists	170,970	28,710	33,538
Office	15,862	8,210	55,195
Miscellaneous	10,242	1,979	272
Travel	3,107	608	21,655
Conferences	10,587	924	883
Dues/publications	5,322	2,370	1,605
Depreciation	8,458	25,453	17,212
Rent (note 15)	63,613	9,424	3,534
Telephone	4,456	650	811
Postage	436	6	3
Insurance	38,883	8,058	5,665
Printing	3,274	480	405
Computer operations	58,889	14,049	14,701
Flexible funds			
Program expenses	49,054	5,949	6,361
	<u>\$ 2,397,480</u>	<u>\$ 761,460</u>	<u>\$ 709,441</u>

**Statements of Functional Expenses - Continued**

Year Ended June 30, 2013

	Family Services	Total Program	Management and General	Fundraising	Total
Salaries	\$ 278,483	\$ 2,609,918	\$ 318,984	\$ 121,609	\$ 3,050,511
Payroll taxes/benefits	51,340	449,926	52,532	17,925	520,383
Professional fees/contract labor	40,185	247,574	33,968		281,542
Medical/laboratory costs		219,108			219,108
Physicians/dentists		233,218			233,218
Office	14,135	93,402	20,110	2,641	116,153
Miscellaneous	505	12,998	25,577	638	39,213
Travel	14,135	39,505	2,394	316	42,215
Conferences	1,607	14,001	994	2,893	17,888
Dues/publications	380	9,677	8,556	1,065	19,298
Depreciation	436	51,559	47,361		98,920
Rent (note 15)	41,231	117,802			117,802
Telephone	3,363	9,280	766		10,046
Postage	11	456	18,126	1,138	19,720
Insurance	6,523	59,129	7,099		66,228
Printing	860	5,019	1,206	7,639	13,864
Computer operations	13,109	100,748	2,907	727	104,382
Flexible funds	25,756	25,756			25,756
Program expenses	5,125	66,489	379	1,004	67,872
	<u>\$ 497,184</u>	<u>\$ 4,365,565</u>	<u>\$ 540,959</u>	<u>\$ 157,595</u>	<u>\$ 5,064,119</u>

## Notes to Financial Statements

June 30, 2014 and 2013

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Operations

Families First of the Greater Seacoast (the Organization) was organized in 1986 to provide health care services for pregnant low income women and teenagers. Since that time, it has expanded to include comprehensive medical and family support services for all family members, including primary care, dental, well child care, substance abuse counseling, parenting education, and home visitation programs. A Board of Directors, consisting of members of the surrounding communities, directs long-term operations of the Organization, with an executive director handling day-to-day activities. The Organization is a Federally Qualified Health Center.

#### Basis of Presentation

The financial statements of the Organization have been prepared using the accrual method of accounting in accordance with professional standards. Under these standards, 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 assets, and permanently restricted net assets. Unrestricted net assets are those that are not subject to donor-imposed stipulations. Temporarily restricted net assets are those whose use by the Organization has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled or otherwise removed by actions of the Organization. Permanently restricted net assets are those that are subject to donor-imposed stipulations that they be maintained permanently by the Organization.

#### Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported 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 the estimates.

#### Net Patient Service Revenue

Revenue is recorded at the Organization's standard charges for patient services rendered. Under the terms of agreements with Medicare, Medicaid and other third party payors, reimbursement for the care of program beneficiaries may differ from the standard charges. Differences are recorded as contractual adjustments, which are reflected as an adjustment to patient service revenue together with patient discounts. Credit is extended without collateral.

#### 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 11).

## Notes to Financial Statements

June 30, 2014 and 2013

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Grants and Contracts

The Organization receives funding from the federal Public Health Service Agency for its homeless and healthcare program under a Bureau of Primary Health Care (BPHC) grant program.

Support received under other grants and contracts with governmental agencies and private foundations is reported as revenue when terms of the agreement have been met.

#### Deferred Revenue

Deferred revenue represents grant and contract funds received for which grant and contract revenue has not been earned.

#### Contributions

Contributions, including pledges, are recognized as revenues in the period received or pledged. The Organization reports contributions of cash and other assets received with donor-imposed time or purpose restrictions as temporarily restricted support. When a donor restriction expires, i.e., when a stipulated time restriction or purpose restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

An allowance for uncollectible pledges is provided based on historical experience and management's evaluation of outstanding pledges at the end of each year. As of June 30, 2014 and 2013, the allowance for uncollectible unconditional promises to give was \$2,000, respectively.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as unrestricted revenues.

#### Investment Income

Income and net unrealized and realized gains or losses on investments of endowment and similar funds are reported as follows:

- as increases in temporarily restricted net assets if the terms of the gift or state law impose restrictions on the use of the income; or
- as increases in permanently restricted net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund; if not, they are reported as temporarily restricted net assets; or
- as increases in unrestricted net assets in all other cases

#### Cash and Cash Equivalents

For the purpose of reporting cash flows, the Organization considers all unrestricted highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

## Notes to Financial Statements

June 30, 2014 and 2013

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. 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. At June 30, 2014 and 2013, the allowance for doubtful accounts was \$51,984 and \$52,289, respectively.

In evaluating the collectability of accounts receivable, the Organization analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Organization records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Organization's allowance for doubtful accounts for self-pay patients was increased from 48% of self-pay accounts receivable at June 30, 2013, to 51% of self-pay accounts receivable at June 30, 2014. In addition, the Organization's self-pay write-offs decreased \$6,000 from \$43,860 for fiscal year 2013 to \$37,860 for fiscal year 2014. Both were the result of positive trends experienced in the collection of amounts from self-pay patients in fiscal year 2014. The Organization has not changed its charity care or uninsured discount policies during fiscal years 2014 and 2013. The Organization does not maintain a maternal allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors.

#### Property and Equipment

Property and equipment are stated at cost. Depreciation is being provided by use of the straight-line method over the estimated useful lives ranging from three to thirty years.

#### Investments

Investments are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

The Organization's investment policy and spending policy for permanently restricted and board designated investments is as follows.

##### Endowment Policy

- The primary investment objective for endowment funds is to preserve and protect assets by earning a total return appropriate for each account. In doing so, the Organization will consider each accounts time horizon, liquidity needs, risk tolerance, and restrictions.

## Notes to Financial Statements

June 30, 2014 and 2013

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Investment Objectives

- The Finance Committee of the Board of Directors has authorized the investment advisor to invest in portfolios of equity securities, fixed income securities, and short-term (cash) investments.
- Within the fixed income portfolio, the majority of assets should be investment grade or better, with below investment grade exposure not to exceed 15%.
- Endowment funds designated for restriction by the Board of Directors will maintain a mix of 20%-40% equity securities, 10%-35% fixed income securities, and 0%-20% short-term investments. Donor restricted funds will maintain a mix of 10%-35% equity securities, 65%-80% fixed income securities, and 0%-20% short-term investments.
- The investment advisor will maintain reasonable diversification at all times. Equity positions of any one company may not exceed 5% of the portfolio, nor shall the portfolio have more than 25% of the entire portfolio in any one sector.
- The Finance Committee will meet with the investment advisor no less than annually to review performance, investment objectives, and asset allocation.

#### Spending Policy

- The Board of Directors has established an endowment spending policy of appropriating for distribution each year 5% of the endowment fund's average fair market value over the prior 20 quarters.

#### **Income Taxes**

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income taxes has been made. The Organization is not classified as a private foundation.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that required adjustment to the financial statements. When necessary, the Organization accounts for interest and penalties related to uncertain tax positions as part of its provision for federal and state income taxes. The Organization does not expect that unrecognized tax benefits arising from tax positions will change significantly within the next 12 months. The Organization is subject to U.S. federal and state examinations by tax authorities for years ended June 30, 2011 through June 30, 2014.

#### **Functional Expenses**

The expenses of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, expenses have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program and support service are allocated directly. Other expenses that are common to several functions are allocated according to statistical bases.



## Notes to Financial Statements

June 30, 2014 and 2013

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Fair Value Measurements

Fair value is 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. In determining fair value, the Organization uses various methods, including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the years ended June 30, 2014 and 2013, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

#### Investment Securities

The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument (see note 19).

### NOTE 2 – CASH AND CASH EQUIVALENTS

The Organization maintains cash balances at two local financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization has established a policy where excess cash is transferred between accounts at separate financial institutions to maintain balances within FDIC insured limits.

## Notes to Financial Statements

June 30, 2014 and 2013

### NOTE 3 – GRANTS RECEIVABLE

Grants receivable as presented on the statements of financial position represent payment due on grants from state and federal agencies and other organizations and are considered fully collectible by management as of June 30, 2014 and 2013

### NOTE 4 – ACCOUNTS RECEIVABLE

The composition of accounts receivable at June 30 was as follows

	2014	2013
Medicaid	\$ 80,870	\$ 44,717
Medicare	26,615	26,174
Private insurance	51,126	37,850
Patients	65,062	70,978
Other	<u>3,377</u>	<u>4,130</u>
	227,050	183,849
Less allowance for doubtful accounts	<u>(51,984)</u>	<u>(52,289)</u>
	<u>\$175,066</u>	<u>\$131,560</u>

### NOTE 5 – PLEDGES RECEIVABLE

Pledges receivable, net of allowance for uncollectible pledges, are summarized as follows at June 30

	2014	2013
Unrestricted bequest	\$350,000	
Unrestricted pledges	259,990	\$338,248
Endowment pledges	<u>-</u>	<u>500</u>
	609,990	338,748
Less allowance for uncollectible promises to give	<u>(2,000)</u>	<u>(2,000)</u>
	<u>\$607,990</u>	<u>\$336,748</u>
Amounts due in:		
Less than one year	\$239,990	\$338,748
One to five years	<u>370,000</u>	<u>-</u>
	<u>\$609,990</u>	<u>\$338,748</u>

The discount rate was not material and, therefore, not applied in 2014 or 2013.

### NOTE 6 – OTHER RECEIVABLES

The Organization renders services to individuals who are beneficiaries of the Federal Medicare and Medicaid programs. Charges for services to beneficiaries of these programs were billed to the Medicare and Medicaid intermediary. Settlements for differences between the interim rates paid by Medicare and the Organization's actual cost for rendering care are based on annual cost report filings. The estimated amounts due to or from Medicare are reflected in the accompanying financial statements as other receivables and are recorded as an increase or decrease to patient service revenue in the year the related care is rendered. Any adjustments to the estimates are recorded as adjustments to patient service revenue in the year of final determination. For years prior to July 1, 2011, the Organization was also required to file Medicaid cost reports. All outstanding Medicaid cost settlements are final.

## Notes to Financial Statements

June 30, 2014 and 2013

### NOTE 7 – PROPERTY AND EQUIPMENT

The following summarizes property and equipment at June 30:

	2014	2013
Equipment	\$722,325	\$615,461
Furniture and fixtures	44,178	44,178
Leasehold improvements	<u>179,031</u>	<u>179,031</u>
	945,534	838,670
Less: accumulated depreciation	<u>(662,684)</u>	<u>(590,678)</u>
	<u>\$282,850</u>	<u>\$247,992</u>

### NOTE 8 – INVESTMENTS – ENDOWMENT

The Organization's Board of Directors has interpreted state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent donor stipulations to the contrary. Accordingly, the Organization classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization.

Investments are reported at their fair value and consist of the following at June 30:

	2014	2013
Money Market Funds	\$ 151,671	
Mutual funds - other	<u>1,385,344</u>	<u>\$1,392,530</u>
	<u>\$1,537,015</u>	<u>\$1,392,530</u>

Endowment net assets by type of fund are as follows:

June 30, 2014	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Donor restricted endowment funds		<u>\$336,494</u>	<u>\$1,200,521</u>	<u>\$1,537,015</u>
June 30, 2013				
Donor restricted endowment funds		<u>\$192,509</u>	<u>\$1,200,021</u>	<u>\$1,392,530</u>

## Notes to Financial Statements

June 30, 2014 and 2013

### NOTE 8 – INVESTMENTS - ENDOWMENT – CONTINUED

Changes in endowment net assets for the year ended June 30, 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Beginning of year		\$ 192,509	\$1,200,021	\$1,392,530
Investment return:				
Additions			500	500
Investment income		26,990		26,990
Net gains		176,668		176,668
Release of funds		(59,673)	-	(59,673)
Totals		<u>\$336,494</u>	<u>\$1,200,521</u>	<u>\$1,537,015</u>

Changes in endowment net assets for the year ended June 30, 2013 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Beginning of year		\$ 67,427	\$1,200,021	\$1,267,448
Investment return:				
Additions		1,000		1,000
Investment income		42,953		42,953
Net gains		135,824		135,824
Release of funds		(54,695)	-	(54,695)
Totals		<u>\$192,509</u>	<u>\$1,200,021</u>	<u>\$1,392,530</u>

### NOTE 9 – AMOUNT DUE – FISCAL AGENT

The Organization acts as fiscal agent for fundraisers supporting the Billy Cheverie Memorial Scholarship Fund. During the year ended June 30, 2013, the Organization had received \$6,000 from event proceeds and had paid \$9,000 in scholarships, donations, and other administrative expenses. There was no activity during the year ended June 30, 2014. The remaining \$195 as of June 30, 2014 and 2013, respectively, is included in the statements of financial position as a current asset (cash, fiscal agent) and current liability (amount due, fiscal agent).

### NOTE 10 – LINE OF CREDIT

The Organization has a \$250,000 commercial line of credit with TD Bank. The interest rate is variable at the Wall Street Journal prime rate (3.25% at June 30, 2014 and 2013, respectively) until May 23, 2015. The line is secured by all business assets of the Organization excluding the permanently restricted funds. Balance due on the line at June 30, 2014 was \$243,849.

## Notes to Financial Statements

June 30, 2014 and 2013

### NOTE 11 – CLIENT SERVICE REVENUE

The Organization recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. It recognizes significant amounts of patient service revenue at the time services are rendered even though it does not assess the patient's ability to pay. For uninsured patients who do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided. 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. Accordingly, the Organization records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Patient service revenue, net of contractual allowances and discounts, recognized in the period from these major payor sources, is as follows:

	2014	2013
Gross patient service charges	<b>\$3,320,218</b>	\$3,135,768
Contractual adjustments	<b>(218,033)</b>	(205,230)
Charity care	<b>(1,478,714)</b>	(1,353,185)
Patient service revenue	<b><u>\$1,623,471</u></b>	<b><u>\$1,577,353</u></b>

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 services for which no payment is anticipated. In assessing a patient's eligibility for charity care, the Organization uses federally established poverty guidelines. The Organization is required to provide a full discount to patients with annual incomes at or below 100% of the poverty guidelines. For those patients with income between 100% and 200% of poverty guidelines, fees must be charged in accordance with a sliding scale discount policy based on family size and income. No discounts may be provided to patients with incomes over 200% of federal poverty guidelines.

Charity care is measured based on services provided at established rates but is not included in patient service revenue. Costs and expenses incurred in providing these services are included in operating expenses. The Organization determines the costs associated with providing charity care by calculating a ratio of costs to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. Under this methodology, the estimated costs of caring for charity care patients for the years ended June 30, 2014 and 2013 were approximately \$1,971,000 and \$1,830,000, respectively. Charges for services rendered to individuals from whom payment is expected and ultimately not received are charged off to provision for bad debt.

### NOTE 12 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30

	2014	2013
Unrestricted pledges receivable	<b>\$607,990</b>	\$337,248
Endowment gains	<b>336,494</b>	192,509
Dental and homeless programs	<b>24,038</b>	29,598
Mobile medical clinic	<b>234,118</b>	
Other	<b><u>74,262</u></b>	<u>23,721</u>
	<b><u>\$1,276,902</u></b>	<b><u>\$583,076</u></b>

## Notes to Financial Statements

June 30, 2014 and 2013

### NOTE 13 – PERMANENTLY RESTRICTED NET ASSETS

During the year ended June 30, 1999, the Organization established a permanently restricted endowment fund as a result of a donor changing their intent on a previous contribution

During the year ended June 30, 2004, the Organization received a challenge contribution from a donor. The donor stipulated that the funds were to be added to the Organization's permanently restricted endowment fund and that the annual interest earned was available for current operations. In conjunction with receipt of this contribution, the Organization conducted a capital campaign. Donors were advised that contributions received would be added to the endowment fund and that 100% of the annual income would be available for current operations.

### NOTE 14 – DONATED SERVICES

The Organization received various donated supplies and services during the years ended June 30, 2014 and 2013. Donated supplies and services are recorded at their estimated fair values on the date of receipt. In-kind contributions are included in contributions in the statements of activities and in-kind expenses are included in the corresponding functional expense line in the statements of functional expenses. Donated supplies and services consisted of the following for the years ended June 30:

	2014	2013
Professional physician and dental services	\$ 59,256	\$ 56,313
Medical supplies and vaccines	106,969	136,320
Volunteer services	<u>99,169</u>	<u>92,407</u>
	<u>\$265,394</u>	<u>\$285,040</u>

### NOTE 15 – LEASES

The Organization rents space for all its programs under terms of a three year lease. Monthly rent was \$10,009 for the first four months of the current year; the monthly rent increased to \$10,471 for the remainder of the current year, and rent paid was \$123,806 and \$117,802 for the years ended June 30, 2014 and 2013, respectively. The current lease term expires on October 31, 2015. Lease expense includes a charge per square foot for utilities and housekeeping services.

The Organization leases office equipment under terms of noncancellable operating leases expiring at various times. Lease expenses, included in office expense, were \$14,203 and \$11,762 during the years ended June 30, 2014 and 2013, respectively.

Minimum lease payments under terms of the current leases are as follows as of June 30

2015	\$43,980
2016	2,342
2017	2,342
2018	2,342
2019	<u>1,756</u>
	<u>\$52,762</u>

## Notes to Financial Statements

June 30, 2014 and 2013

### NOTE 16 – PENSION PLAN

The Organization sponsors a defined contribution 401(k) plan for all eligible employees. Employer discretionary contributions are funded at a percentage of eligible employees' salaries. The Organization did not incur expenses under the plan for the years ended June 30, 2014 and 2013.

### NOTE 17 – FUNCTIONAL EXPENSES

The Organization's principle programs are as follows:

#### Primary Care Program

The purpose of this program is to provide comprehensive medical care to families of the community on a sliding fee scale basis. Services provided include well and sick child care, immunizations, adult care, laboratory testing, social services and counseling, substance abuse counseling and smoking cessation programs.

This program provides access to comprehensive prenatal care. Pregnant women who live at 185% of poverty level or below, and all teens, who reside in the community are eligible to participate in this program. Some of the services provided are medical care, laboratory testing, infant delivery, social services and counseling, nutritional counseling, childbirth, breastfeeding and parenting education, substance abuse counseling and smoking cessation programs.

This program also includes a medication assistance program, which provides uninsured and under-insured patients with vouchers to obtain low cost short-term prescriptions and helps the patients enroll for assistance from pharmaceutical companies to obtain long-term medication for chronic conditions.

#### Dental Program

This program provides access to comprehensive dental health services to families of the community on a sliding scale basis. Services include oral health screening, preventative and restorative care.

#### Homeless Program

This program provides a healthcare access point that includes medical and dental care for individuals and families experiencing or on the verge of homelessness in a two county area of New Hampshire. A mobile healthcare team provides outreach and health services to individuals and families unable to receive these services in a more traditional health care setting.

#### Family Support Programs

These programs were designed to strengthen and support families. Families, who reside in Rockingham County, or Eliot, York and Kittery, Maine, regardless of income, are eligible to participate in these programs. Services provided include volunteer parent aide program, drop-in family support center, parenting classes, mothers' support groups, fathers' support programs, parent/toddler playgroups, children's activity groups, and a monthly newsletter to provide information about available resources for families.

#### Family Resource and Support (DCYF)

The Family Resource and Support Program provides home based family support services and child care coordination and payment.

## Notes to Financial Statements

June 30, 2014 and 2013

### NOTE 18 – RISKS AND UNCERTAINTIES

The Organization invests in various investment securities and money market funds. Due to the level of risk associated with investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amount reported in the statements of financial position.

### NOTE 19 – FAIR VALUE MEASUREMENT

Fair values of assets measured on a recurring basis at June 30, 2014 are as follows:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Money Market Funds	\$ 152,451	\$ 152,451		
Bond Funds	419,574	419,574		
Equity Funds	<u>965,770</u>	<u>965,770</u>		
Totals	<u>\$1,537,795</u>	<u>\$1,537,795</u>		

Fair values of assets measured on a recurring basis at June 30, 2013 are as follows:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Problend Conservative Term Series Fund	\$ 200,963	\$156,107	\$ 44,856	
Problend Maximum Term Series Fund	474,600	354,724	119,876	
Problend Extended Term Series Fund	<u>783,327</u>	<u>374,210</u>	<u>409,117</u>	
Totals	<u>\$1,458,890</u>	<u>\$885,041</u>	<u>\$573,849</u>	

### NOTE 20 – COMMITMENT LIABILITY

A contract to purchase a vehicle has been signed totaling approximately \$270,000 for a mobile medical clinic. The remaining commitment at June 30, 2014 was approximately \$160,000.

### NOTE 21 – EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 9, 2014, the date the financial statements were available to be issued.



## **Families First Board of Directors 2014-2015**

	<b>First</b>	<b>Name</b>	<b>Board Position</b>
1	Linda	Sanborn	Chair
2	Tom	Newbold	Vice Chair
3	Kristen	Hanley	Secretary
4	Mike	Burke	Treasurer
5	Karin	Barndollar	
6	Marsha	Filion	
7	Barbara	Henry	
8	Jack	Jamison	
9	Sarah	Knowlton	
10	Josephine	Lamprey	
11	Patricia	Locuratolo, MD	
12	Kathleen	MacLeod	
13	Ronda	MacLeod	
14	David	McNicholas	
15	John	Pelletier	
16	Donna	Ryan	
17	Mary	Schleyer	
18	Dan	Schwarz	
19	Peter	Whitman	

# **A.J. Homicz, DDS, FAGD**

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## **EDUCATION**

### **Cornell University**

School of Arts and Sciences, 1963-1967, A.B. – Biological Sciences

### **Columbia University**

School of Dental and Oral Surgery, 1967-1971, D.D.S

Member, Omicron Kappa Upsilon (academic honorary society)

## **PROFESSIONAL**

### **Families First Health and Support Center, Portsmouth, NH**

Dental Director (volunteer position), 2003-present

### **Private Practice**

General Practice, Antrim, NH, 1973-2005

### **United States Navy**

Portsmouth Naval Shipyard, 1971-1973, Lt., Dental Corps

## **AWARDS, HONORS AND FELLOWSHIPS**

BiState Primary Care Association President's Award, 2005

Outstanding contribution to assuring health care to vulnerable populations

Fellowship, Academy of General Dentistry, 1997

Fellowship, American College of Dentists, 2003

Fellowship, International College of Dentists, 2005

Greater Manchester Leadership Council Award – 2005

Recognition for leadership in improving oral health in the community

Watch Your Mouth Champion – 2006

Achievement in regional oral health awareness campaign

## **PROFESSIONAL ORGANIZATIONS & COMMITTEES**

American Association of Public Health Dentistry

American Dental Association

Delegate, 2002, 2003, 2004

Reference Committee, 2004

Council on Access, Prevention & Interprofessional Relations, 2007-Present

Academy of General Dentistry

Coalition for NH Oral Health Action

Chair, 2006-2008

National Network for Oral Health Access

New Hampshire Dental Society

President, 2004-2005

Chair, Task Force on Access, 2003-2008

Chair, Give Kids a Smile, 2003, 2004

# CURRICULUM VITAE

## JOHN FITZSIMONS, DMD, MMS

### PROFESSIONAL EXPERIENCE

Families First Health and Support Center, Portsmouth, NH  
**Staff Dentist**, July 2012-Present

Penobscot Community Health Care General Practice Residency, Bangor, ME  
**PGY-1, General Practice Resident** July 2011- July 2012

Fifty patient contact hours per week, comprehensive clinical care in an ambulatory setting  
Emphasis on diagnosis & treatment of acute dental emergencies, endodontics, and oral surgery

### **Specialty Training: (1-2 days/ month, Direct Supervision by Specialist)**

**Periodontics:** Osseous Grafting, & Placement of Dental Implants (Nobel Biocare, Camlog)

**Oral Surgery:** Surgical Extractions, Soft Tissue & Partial Boney Impactions, Biopsies

**Orthodontics:** Interceptive Orthodontic Treatment, Rapid Palatal Expansion, Lip Bumpers

**Prosthodontics:** Removable and Fixed Prosthesis, Restoration of Nobel and Camlog Implants

### **Clinical Rotations (Eastern Maine Medical Center, St. Joseph's Hospital)**

**Anesthesiology:** Airway Maintenance & Intubation (BVM, LMAs & ET tubes)

**Family Medicine:** (Observation) Management of Chronic Pain & Illness, Health Promotion

**Pediatric Medicine:** (Independent) Diagnosis Respiratory Illness, AOM, cultures, health promotion wellness visits

**Pediatric Dentistry:** Pediatric treatment with the Lutheran Pediatric Dentistry Program

**Emergency Medicine:** Diagnosis, management acute dental emergencies at Eastern Maine Medical Center E.R.  
Observation of non-dental acute emergencies.

**Togus Veterans Hospital Dental Externship**, Augusta, ME January 2010-March 2010

### **Pre-doctoral Dental Externship (10 weeks)**

Brigham and Women's Hospital, Brookside Dental Center, Jamaica Plain, MA

**BU (APEX Program) Applied Professional Experience I** (Ten Weeks) May 2007-July 2007

**BU (APEX Program) Applied Professional Experience II** (Ten Weeks) January 2008-March 2008

### EDUCATION

Boston University Henry M. Goldman School of Dental Medicine

**Doctor of Dental Medicine, *cum laude*** 2011

**Master of Medical Sciences**, Division of Dental Public Health 2011

Thesis: "Comparative Efficacy of Xylitol Delivery Systems in Caries Prevention"

First Reader: Ana Karina Mascarenhas, DPH, MPH, BDS (President American Academy Dental Public Health)

Boston University College of Arts & Sciences

**Bachelor of Arts**, Psychology, Minor Chemistry, Class of 2002

## **LICENSURE AND CERTIFICATION**

Licensed to Practice in the State of New Hampshire (NH, 03907) July 2013-Present  
Licensed to Practice in the State of Maine (DEN4197) June 2011-Present  
(ACLS) Advanced Certification in Life Support, June 2012  
Nitrous Oxide Sedation (ADA Accredited Course, National Certification) Anticipated June 2012  
Invisalign Certification Part I March 2008  
Credentialed, Eastern Maine Medical Center, Bangor, ME July 2011  
Credentialed, St. Joseph's Hospital, Bangor, ME March 2012  
Joint Commission of Dental Examiners, Part I, II Feb 2008, Mar 2010  
Western Regional Board Exam (WREB) April 2010  
Northeast Regional Board (NERB) Diagnostic Skills Exam (DSE) March 2011

## **Teaching Experience**

Kaplan Test Preparation & Admissions, Inc., Cambridge, MA Jan 2005-Dec. 2009  
**Teacher, DAT, OAT, SAT**  
**Contributing Author**, Kaplan Medical Inc. (NBDE Part I,II Question Bank) 2010  
Boston University Department of Psychology 2001-2002  
**Teacher's Assistant**, Introductory Course PS 101

## **INVITATIONAL PUBLIC SPEAKING/ PRESENTATIONS**

Maine Veterans Home, Department of Veterans Affairs, Bangor, Maine  
**Speaker**, Oral Health/Intra-Oral Exams for Healthcare Providers February 2012  
Robert Wood Johnson Foundation Summer Pipeline Program, Boston University 2010,2009,2008  
**Speaker**, Dental Admissions Test and the Admissions Process  
Northeast Association of Advisors to Health Professions Meeting, Portland, ME April 2005  
**Speaker**, Dental Admissions Testing and the Application Process

## **COMMUNITY SERVICE/ VOLUNTEER EXPERIENCE**

Caring Hands of Maine, Back to School Smile Day, Ellsworth, ME 2011  
Project White Coat, Boston University School of Dental Medicine 2010  
Partners for Rural Health in the Dominican Republic 2006

## **MEMBERSHIPS**

(AGD) American Academy of General Dentistry- Maine Chapter- Member 347859 2012-Present  
(ASDA) American Dental Student Association 2007-2012

**References & Continuing Education Available Upon Request**

# LUCAS CHARLES HOMICZ

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## PERSONAL INFORMATION

Captain, United States Army Dental Corps

## EDUCATION

### **Doctor of Dental Surgery (DDS)**

Columbia University, New York, New York  
School of Dental and Oral Surgery (2002-2006)

### **Bachelors of Arts (BA)**

Villanova University, Villanova, Pennsylvania  
College of Liberal Arts and Science (1998-2002)

## PROFESSIONAL EXPERIENCE

### **Walter Reed Dental Activity (Feb. 2009 – Present)**

Walter Reed Army Medical Center

- Currently serving as a general dentist in the Restorative Department, delivering care to over 12,000 beneficiaries. Additional duties include Privacy and HIPPA Officer, Infection Control Officer, and Dental Fitness Officer.

### **561<sup>st</sup> Medical Company (Dental Services) (Dec. 2007 – Feb. 2009)**

USAG Grafenwoehr, Germany

- Served as a General Dental Officer assigned to Grafenwoehr Dental Clinic, delivering comprehensive dental care to soldiers, dependents, and civilians.

### **561<sup>st</sup> Medical Company (Dental Services) (Sept. 2006 – Dec. 2007)**

Forward Operating Base Endurance, Iraq

### **US Army Health Professional Scholarship Program (2002-2006)**

HPSP Scholarship Recipient

### **National Society of Collegiate Scholars (2002-2003)**

Member – Villanova University Chapter

## LICENSURES AND CERTIFICATIONS

- New Hampshire Dental License #03538 (June 2006)
- Certification in Basic Life Support (BLS) (April 2010)
- Invisalign Orthodontics Certification I and II (2006)
- Waterlase Laser Dentistry Fellowship Certification (2005)

## PROFESSIONAL MEMBERSHIPS

- American Dental Association (2002-present)
- Academy of General Dentistry (2008-present)

## Nii Norte Lokko, DMD

### Work Experience

**Families First Health & Support Center** 2/2009 to present  
Portsmouth, NH  
General Dentist

**Community Dental Care of Claremont** 2009 to present  
Claremont, NH  
General Dentist

**Allcare Dental and Dentures** 6/2008 to 2/2009  
Manchester, NH  
Managing Clinical Director

**Avis Goodwin Community Health Center**  
Dover, NH  
Dental Director 8/2006 to 5/2008  
Staff Dentist 8/2004 to 5/2008

**Tufts University General Practice Residency** 7/2003 to 6/2004  
Waltham, MA  
Dental Resident

### Education

**Tufts University School of Dental Medicine** 7/2003 to 6/2004  
GPR Certificate

**Tufts University School of Dental Medicine** 8/1999 to 5/2003  
DMD degree

**Luther College, Decorah, IA** 9/1996 to 5/1999  
BA in Biology

### Memberships

New Hampshire Dental Society  
American Dental Association  
Academy of General Dentists

**Families First of the Greater Seacoast**

Key Personnel (Oral Health-2016)

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Helen B. Taft	Executive Director	\$103,319	0%	\$ 0
David C. Choate	Finance Director	\$ 68,216	0%	\$ 0
Terrie Burdick	Operations Director	\$ 69,930	0%	\$ 0



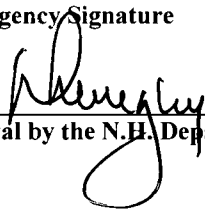
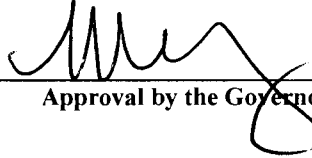
Subject: Senior Oral Health Program

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> Department of Health & Human Services		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301	
<b>1.3 Contractor Name</b> Goodwin Community Health		<b>1.4 Contractor Address</b> 311 Route 108 Somersworth, NH 03878	
<b>1.5 Contractor Phone Number</b> 603-749-2346	<b>1.6 Account Number</b> 05-95-48-481010-8917-102-500731	<b>1.7 Completion Date</b> September 30, 2016	<b>1.8 Price Limitation</b> \$27,886.
<b>1.9 Contracting Officer for State Agency</b> Eric D. Borrin		<b>1.10 State Agency Telephone Number</b> (603) 271-9558	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> Goodwin Community Health Janet Laatsch, CEO	
<b>1.13 Acknowledgement:</b> State of <u>NH</u> , County of <u>Stafford</u> On <u>8/15/15</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.			
<b>1.13.1 Signature of Notary Public or Justice of the Peace</b> [Seal] 			
<b>1.13.2 Name and Title of Notary or Justice of the Peace</b> Ann E. Morrissette, Bookkeeper			
<b>1.14 State Agency Signature</b> 		<b>1.15 Name and Title of State Agency Signatory</b> D Langley, Director	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution)</b> By:  Megan A. York, Attorney On: <u>8/27/15</u>			
<b>1.18 Approval by the Governor and Executive Council</b> By: _____ On: _____			



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

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

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

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

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

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

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

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

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

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

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

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

**7. PERSONNEL.**

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

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

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

## 8. EVENT OF DEFAULT/REMEDIES.

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

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

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

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

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

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

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

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

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

## 14. INSURANCE.

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

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

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

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

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

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

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

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

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

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

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

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



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**Scope of Services**

**1. SCOPE OF SERVICES:**

1.1. The Contractor will:

1.1.1. Provide dental treatments to adults ages 60 and up who need early or immediate intervention and lack the financial resources for dental treatment, and who reside in any city or town in New Hampshire, as follows:

1.1.1.1. Accept client referrals from the Department;

1.1.1.2. Complete an oral health diagnosis for each client;

1.1.1.3. Diagnose oral health issues and problems and develop a dental treatment plan based on the client's identified oral health and/or treatment needs;

1.1.1.4. Schedule and remind clients of their dental appointments;

1.1.1.5. Perform, with the individual's approval, dental services and treatment in accordance with the Exhibit B-1 Dental Fee Schedule up to a \$2,000 limit per individual patient for the contract period;

1.1.1.6. Follow up with clients to ensure their pain or infection was alleviated after receiving dental treatment(s);

1.1.1.7. Provide client level data in a secure, electronic format as specified by the Department for completion of required reports; and

**2. Licensing Requirements:**

The Contractor will ensure that the dentist(s) performing services under this agreement, including any subcontract agreements, must possess a current dental license issued by the State of New Hampshire Board of Dental Examiners.

**3. Cultural Considerations:**

The Contractor will 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.

**4. Criminal Background Check:**

Contractor shall conduct a New Hampshire criminal background check for a potential applicant for employment or volunteer, funded under this contract.



Exhibit A

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**5. DHHS' Bureau of Elderly and Adult Services' (BEAS) State Registry:**

Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49 Registry, VII, which requires that all employers of programs that are licensed, certified, or funded by the NH Department of Health and Human Services to provide services, submit the name of prospective employees who may have client contact for review against the registry of founded reports of abuse, neglect, and exploitation of incapacitated adults.

**6. Contract Monitoring**

6.1. The Contractor will:

- 6.1.1. Participate in an "on-site review," conducted by the Department, of the records of clients who received dental care and treatment in the program.
- 6.1.2. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.
- 6.1.3. Ensure the Department is provided with access that includes but is not limited to:
  - 6.1.3.1. Data;
  - 6.1.3.2. Financial records;
  - 6.1.3.3. Scheduled access to Contractor work sites/locations/work spaces and associated facilities;
  - 6.1.3.4. Unannounced access to Contractor work sites/locations/work spaces and associated facilities;
  - 6.1.3.5. Scheduled phone access to Contractor principals and staff.

*Remainder of Page Left Intentionally Blank*



## Exhibit B

### Method and Conditions Precedent to Payment

1. Price Limitation. This Agreement is one of multiple Agreements that will serve the Senior Oral Health Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
2. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Department shall reimburse the Contractor for actual dental service(s) provided by the contractor to eligible individuals, resulting from referrals made by the Department and in accordance with Exhibit A, Scope of Services.
3. Reimbursement shall be based on the Senior Oral Health Program, Dental Fee Schedule, identified in Exhibit B-1.
4. Reimbursement Limits per Patient. Reimbursement is limited to \$2,000 per patient for during the Agreement period, depending on the availability of funding. Any additional treatment that exceeds the limit per patient shall be at the sole expense of the participating dental practice or clinic.
5. Contract dentists shall complete and submit Dental Claim Forms provided by the Bureau of Elderly and Adult Services for each client, due within 15 days from the date of treatment.  
Dental Claim forms shall be sent to:  
Bureau of Elderly and Adult Services  
Administrator, Community Programs and Long-Term Care  
129 Pleasant Street  
Concord, NH 03301
6. Notwithstanding anything to the contrary herein, the Contractor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State Law, rule or regulation applicable to the services provided, or if the said services have not been satisfactory completed in accordance with the terms and condition of this Agreement.
7. The funding source for this Agreement for Dental Services is 100% federal funds from the Administration for Community Living, Title III, Part D, Disease Prevention and Health Promotion Services, CFDA 93.043. The Contractor agrees to provide the services in Exhibit A, Scope of Services in compliance with funding requirements.
8. The contractor shall have or secure a vendor number with the State of New Hampshire to receive payment from the DHHS.
9. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT). Exceptions to using EFT for payment shall be made upon prior approval of the BEAS Financial Manager or designee.



Exhibit B-1

**NH Bureau of Elderly and Adult Services, Older Adult Oral Health Program (ages 60+)  
Dental Fee Schedule as of February 2015**

Code	Procedure	Fee
D0120	Periodic oral evaluation	41.00
D0140	Limited oral evaluation	60.00
D0210	Intraoral-complete series	96.00
D0220	Intraoral-Periapical 1st film	15.00
D0230	Intraoral-Periapical each additional	10.00
D0270	Bitewings - Xray	17.00
D0272	Bitewings - two films	25.00
D0274	Bitewings - four films	45.00
D0330	Panoramic film	83.00
D2140	Amalgam - 1 surface	150.00
D2150	Amalgam - 2 surface	155.00
D2160	Amalgam - 3 surface	180.00
D2161	Amalgam - 4/4+ surface	200.00
D2330	Resin-1 surface anterior	131.00
D2331	Resin-2 surface anterior	143.00
D2332	Resin-3 surface anterior	147.00
D2335	Resin-4/4+ surface anterior	165.00
D2391	Resin-1 surface posterior	150.00
D2392	Resin-2 surface posterior	155.00
D2393	Resin-3 surface posterior	180.00
D2394	Resin-4/4+ surface posterior	200.00
D4341	Scaling and root planing (per quadrant)	100.00
D4355	Full mouth debridement	90.00
D5110	Complete denture-maxillary	800.00
D5120	Complete denture-mandibular	800.00
D5130	Immediate denture-maxillary	875.00
D5140	Immediate denture-mandibular	875.00
D5211	Maxillary partial-resin base	600.00
D5212	Maxillary partial-resin base	600.00
D5410	Adjust complete denture, maxillary	50.00
D5411	Adjust complete denture, mandibular	50.00
D5421	Adjust partial denture, maxillary	50.00
D5422	Adjust partial denture, mandibular	50.00
D5520	Replace denture teeth	127.00
D5750	Reline complete maxillary denture	244.00
D5751	Reline complete mandibular denture	244.00
D7140	Extraction-erupted/exposed	150.00
D7210	Extraction-surgical-imp bony	225.00
D7240	Removal of Impacted Tooth Tissue	225.00
D7310	Alveoloplasty - per quadrant	275.00
D7472	Removal of torus palatinus Mandibular 2 quadrants	400.00
D5760	Reline maxillary partial denture	99.00
D5761	Reline mandibular partial denture	99.00



**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.



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.
3. Subparagraph 14.1.1 of the General Provisions of this contract, is deleted and the following subparagraph is added:
  - 14.1.1 Comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence with additional general liability umbrella coverage of not less than \$1,000,000.
4. The Department reserves the right to renew the Contract for up to two additional years, subject to the continued availability of funds, satisfactory performance of services and approval by the Governor and Executive Council.



**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:

8-5-15  
Date

[Signature]  
Name: Janet Laatsch  
Title: 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:

8-5-15  
Date

Janet Laatsch  
Name: Janet Laatsch,  
Title: CEO





**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:

8-5-15  
Date

Janet Laatsch  
Name: Janet Laatsch  
Title: 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

R

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:

8-5-15  
Date

Janet Laatsch  
Name: Janet Laatsch  
Title: CEO

Exhibit G

Contractor Initials JL

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

Date 8-5-15



**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:

8-5-15  
Date

Janet Laatsch  
Name: Janet Laatsch  
Title: 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 (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.

R

8-5-15



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 & Human Services  
The State

Goodwin Community Health  
Name of the Contractor

[Signature]  
Signature of Authorized Representative

[Signature]  
Signature of Authorized Representative

Diane Lengua  
Name of Authorized Representative

Janet Laatsch  
Name of Authorized Representative

Director  
Title of Authorized Representative

CEO  
Title of Authorized Representative

8/11/15  
Date

8-5-15  
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:

8-5-15  
Date

Janet Loatsch  
Name: Janet Loatsch  
Title: CEO

Contractor Initials JO  
Date 8-5-15



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

X NO                      \_\_\_\_\_ YES

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

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

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

\_\_\_\_\_ NO                      \_\_\_\_\_ YES

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

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

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

Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

State of New Hampshire  
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Goodwin Community Health is a New Hampshire nonprofit corporation formed August 18, 1971. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



IN TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 1<sup>st</sup> day of April A.D. 2015

A handwritten signature in cursive script that reads "William M. Gardner".

William M. Gardner  
Secretary of State

**CERTIFICATE OF VOTE**

I, David Staples, DDS, of the Goodwin Community Health, do hereby certify that:

1. I am the duly elected Board Chair of the Goodwin Community Health;
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of Goodwin Community Health, duly held on January 8, 2015;

Resolved: That this corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services for the provision of Public Health Services.

Resolved: That the Chief Executive Officer, Janet Laatsch, is hereby authorized on behalf of this Corporation 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 foregoing resolutions have not been amended or revoked and remain in full force and effect as of 8-5, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand as the Board Chair of the Goodwin Community Health this 5 day of Aug, 2015.

  
\_\_\_\_\_  
David Staples, DDS, Board Chair

STATE OF NH  
COUNTY OF STRAFFORD

The foregoing instrument was acknowledged before me this 5 day of Aug, 2015 by David Staples, DDS.

  
\_\_\_\_\_  
Notary Public/Justice of the Peace  
My Commission Expires: 9/17/19



GOODCOM-01 LMICHALS

## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/11/2015

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

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

PRODUCER License # AGR8150 Clark Insurance 80 Canal St Manchester, NH 03101	CONTACT NAME: <b>Lorraine Michals</b>
	PHONE (A/C, No, Ext): <b>(603) 622-2855</b> FAX (A/C, No): <b>(603) 622-2854</b>
	E-MAIL ADDRESS: <b>Info@clarkinsurance.com</b>
	INSURER(S) AFFORDING COVERAGE
	INSURER A : <b>Acadia</b> NAIC # <b>31325</b>
INSURED  Goodwin Community Health 311 Route 108 Somersworth, NH 03878	INSURER B :
	INSURER C :
	INSURER D :
	INSURER E :
	INSURER F :

## COVERAGES

## CERTIFICATE NUMBER:

## REVISION NUMBER:

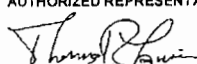
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE 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 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"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			ADV5212020-10	07/31/2015	07/31/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			ADV5212020-10	07/31/2015	07/31/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			CUA5214125-10	07/31/2015	07/31/2016	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
A	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	WCA5212021-10	07/31/2015	07/31/2016	<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

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

## CERTIFICATE HOLDER

## CANCELLATION

Department of Health and Human Services Contracts and 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 
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*Goodwin Community Health*

*Mission*

*To provide exceptional health care that is accessible to all people in the community.*

Board Approved on 6-11-2015

**Goodwin Community Health  
and Subsidiary**

**Financial Report**

**June 30, 2014**

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Accessible  
Approachable  
Accountable

Independent Auditors' Report

Board of Directors  
Goodwin Community Health  
and Subsidiary  
Somersworth, New Hampshire

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Goodwin Community Health and Subsidiary (the Center) which comprise the consolidated statements of financial position as of June 30, 2014 and 2013, and the related consolidated statements of activities, functional 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 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 the 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the 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.

---

**Macpage LLC**

30 Long Creek Drive, South Portland, ME 04106-2437 | 207-774-5701 | 207-774-7835 fax | cpa@macpage.com  
One Market Square, Augusta, ME 04330-4637 | 207-622-4766 | 207-622-6545 fax

macpage.com



Board of Directors  
Goodwin Community Health and Subsidiary

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Goodwin Community Health and Subsidiary as of June 30, 2014 and 2013, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules on pages 17 through 19 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.

*Magpage LLC*

South Portland, Maine  
November 25, 2014

## Consolidated Statements of Financial Position

June 30,	2014	2013
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 1 and 2)	\$ 655,579	\$ 584,487
Accounts receivable, net (Notes 1 and 3)	417,704	229,940
Grants receivable (Note 4)	145,940	108,182
Current portion of pledges receivable (Note 5)	9,451	25,036
Prepaid expenses	7,693	3,637
<b>Total Current Assets</b>	<u>1,236,367</u>	<u>951,282</u>
<b>Property and Equipment, Net (Notes 1 and 7)</b>	<u>6,276,034</u>	<u>6,547,866</u>
<b>Other Assets</b>		
Goodwill (Note 1)	17,582	17,582
Pledges receivable, net of current portion (Note 5)	8,010	11,494
<b>Total Other Assets</b>	<u>25,592</u>	<u>29,076</u>
<b>Total Assets</b>	<u>\$ 7,537,993</u>	<u>\$ 7,528,224</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 181,237	\$ 260,730
Accrued expenses	363,823	320,772
Lines of credit (Note 8)	193,500	327,280
Current portion of long-term debt (Note 9)	154,716	128,157
<b>Total Current Liabilities</b>	<u>893,276</u>	<u>1,036,939</u>
<b>Long-Term Liabilities</b>		
Long-term debt, net of current portion (Note 9)	869,885	935,100
<b>Total Liabilities</b>	<u>1,763,161</u>	<u>1,972,039</u>
<b>Net Assets</b>		
Unrestricted (deficit)	354,851	(73,807)
Temporarily restricted (Note 11)	5,419,981	5,629,992
<b>Total Net Assets</b>	<u>5,774,832</u>	<u>5,556,185</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 7,537,993</u>	<u>\$ 7,528,224</u>

## Consolidated Statement of Activities

Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Total
<b>Operating Revenue and Support</b>			
Patient service revenue (Notes 1 and 10)	\$ 4,798,980		\$ 4,798,980
Provision for bad debts	(304,004)		(304,004)
Net patient service revenue	4,494,976		4,494,976
Grants, contracts and contributions (Notes 1 and 12)	2,409,793	\$ 66,000	2,475,793
WIC food vouchers (Note 15)	1,572,910		1,572,910
Other	150,554		150,554
	8,628,233	66,000	8,694,233
Net assets released from restrictions	276,011	(276,011)	
<b>Total Operating Revenue and Support</b>	<b>8,904,244</b>	<b>(210,011)</b>	<b>8,694,233</b>
<b>Functional Expenses</b>			
Program services	7,300,409		7,300,409
Fundraising	137,934		137,934
General and administrative	1,050,293		1,050,293
<b>Total Expenses</b>	<b>8,488,636</b>		<b>8,488,636</b>
<b>Change in Net Assets from Operating Activities</b>	<b>415,608</b>	<b>(210,011)</b>	<b>205,597</b>
<b>Non-Operating Revenue and Support</b>			
Rent income	13,050		13,050
<b>Total Change in Net Assets</b>	<b>428,658</b>	<b>(210,011)</b>	<b>218,647</b>
<b>Net Assets (Deficit), Beginning of Year</b>	<b>(73,807)</b>	<b>5,629,992</b>	<b>5,556,185</b>
<b>Net Assets, End of Year</b>	<b>\$ 354,851</b>	<b>\$ 5,419,981</b>	<b>\$ 5,774,832</b>

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

**Consolidated Statement of Activities - Continued**

Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Total
<b>Operating Revenue and Support</b>			
Patient service revenue (Notes 1 and 10)	\$ 4,468,027		\$ 4,468,027
Provision for bad debts	<u>(275,559)</u>		<u>(275,559)</u>
Net patient service revenue	4,192,468		4,192,468
Grants, contracts and contributions (Notes 1 and 12)	2,135,975	\$ 35,416	2,171,391
WIC food vouchers (Note 15)	1,644,806		1,644,806
Other	<u>215,425</u>		<u>215,425</u>
	8,188,674	35,416	8,224,090
Net assets released from restrictions	<u>180,296</u>	<u>(180,296)</u>	
<b>Total Operating Revenue and Support</b>	<u>8,368,970</u>	<u>(144,880)</u>	<u>8,224,090</u>
<b>Functional Expenses</b>			
Program services	7,076,642		7,076,642
Fundraising	145,116		145,116
General and administrative	<u>1,020,853</u>		<u>1,020,853</u>
<b>Total Expenses</b>	<u>8,242,611</u>		<u>8,242,611</u>
<b>Change in Net Assets from Operating Activities</b>	<u>126,359</u>	<u>(144,880)</u>	<u>(18,521)</u>
<b>Non-Operating Revenue and Support</b>			
Rent income	12,182		12,182
Class action settlement	<u>148,066</u>		<u>148,066</u>
<b>Change in Net Assets from Non-Operating Activities</b>	<u>160,248</u>		<u>160,248</u>
<b>Total Change in Net Assets</b>	286,607	(144,880)	141,727
<b>Net Assets (Deficit), Beginning of Year</b>	<u>(360,414)</u>	<u>5,774,872</u>	<u>5,414,458</u>
<b>Net Assets (Deficit), End of Year</b>	<u>\$ (73,807)</u>	<u>\$ 5,629,992</u>	<u>\$ 5,556,185</u>



## Consolidated Statements of Cash Flows

Years Ended June 30,

	2014	2013
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 218,647	\$ 141,727
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	271,832	269,624
Provision for bad debt	304,004	275,559
(Increase) decrease in operating assets:		
Accounts receivable	(491,768)	(162,400)
Grants receivable	(37,758)	(22,942)
Pledges receivable	19,069	(10,250)
Cost settlement receivable		38,930
Prepaid expenses	(4,056)	4,363
Increase (decrease) in operating liabilities:		
Accounts payable	(79,493)	(124,437)
Accrued expenses	43,051	13,008
Total adjustments	<u>24,881</u>	<u>281,455</u>
<b>Net cash flows from operating activities</b>	<u>243,528</u>	<u>423,182</u>
<b>Cash flows from investing activities:</b>		
Purchases of equipment		(32,092)
<b>Net cash flows from investing activities</b>		<u>(32,092)</u>
<b>Cash flows from financing activities:</b>		
Net payments on lines of credit	(133,780)	(3,000)
Proceeds from issuance of long-term debt	99,000	
Principal payments on long-term debt	(137,656)	(103,188)
<b>Net cash flows from financing activities</b>	<u>(172,436)</u>	<u>(106,188)</u>
<b>Net change in cash and cash equivalents</b>	71,092	284,902
<b>Cash and cash equivalents, beginning of year</b>	<u>584,487</u>	<u>299,585</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 655,579</u>	<u>\$ 584,487</u>
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid during year	\$ 57,245	\$ 70,380



## Notes to Consolidated Financial Statements

June 30, 2014 and 2013

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Operations

Goodwin Community Health, a nonprofit corporation, was incorporated in 1971 in the state of New Hampshire to provide prenatal care, social support and public health services to low-income persons. Goodwin Community Health's revenues come primarily from patient service fees, including third party payers, federal and state government support and non-government organization grants.

These consolidated financial statements also include the financial statements of Great Bay Mental Health Associates, Inc. (Great Bay), a wholly-owned for-profit subsidiary, engaged in providing mental health services in the Strafford County, New Hampshire community through its employees and independent contractors who are qualified and licensed to practice in the State of New Hampshire. All material inter-company transactions and balances have been eliminated in consolidation. Goodwin Community Health and Great Bay are collectively referred to as "the Center".

#### Basis of Presentation

The consolidated financial statements of the Center have been prepared using the accrual method of accounting in accordance with professional standards. Under those standards, the Center is required to report information regarding its consolidated financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets are those that are not subject to donor-imposed stipulations. Temporarily restricted net assets are those whose use by the Center has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled or otherwise removed by actions of the Center. Permanently restricted net assets are those that are subject to donor-imposed stipulations that they be maintained permanently by the Center. The Center had no permanently restricted net assets at June 30, 2014 and 2013.

#### Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

#### Consolidated Statement of Activities

The Center has classified the consolidated statements of activities into two categories, operating and non-operating. The operating category represents the normal recurring activities of the Center. The non-operating activity captures non-recurring activity primarily related to gains and losses from the sale of property and equipment and income from rental activities.

#### Net Patient Service Revenue

Revenue is recorded at the Center's standard charges for patient services rendered. Under the terms of agreements with Medicare, Medicaid and other third party payors, reimbursement for the care of program beneficiaries may differ from the Center's standard charges. Differences are recorded as contractual adjustments, which are reflected as an adjustment to patient service revenue together with patient discounts. Credit is extended without collateral.

## Notes to Consolidated Financial Statements

June 30, 2014 and 2013

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Charity Care

The Center 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 Center does not pursue collection of amounts determined to qualify as charity care, these amounts are reported as deductions from revenue (see Note 10).

#### Grants and Contracts

The Center receives funding from the federal Public Health Service Agency for its medical operations under a Bureau of Primary Health Care (BPHC) grant program. Since the BPHC grant is available for use in the majority of the Center's operations, it is reported as unrestricted in the consolidated financial statements.

Support received under grants and contracts with governmental agencies and private foundations is reported as revenue when terms of the agreement have been met.

Grants received for the purpose of acquiring long-lived assets are reported as support that increases temporarily restricted assets. The Center has adopted a policy of implying a time restriction on such grants that expire over the assets' useful life.

#### Contributions

Contributions, including pledges, are recognized as revenues in the period received. The Center reports contributions of cash and other assets received with donor-imposed time or purpose restrictions as temporarily restricted support. When a donor restriction expires, i.e., when a stipulated time restriction or purpose restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as unrestricted revenues.

Management has evaluated its outstanding pledges at the end of June 30, 2014 and 2013, and has determined that all amounts are fully collectible and an allowance for uncollectible contributions is not considered necessary.

#### Advertising and Promotion

The Center expenses its advertising and promotion costs as incurred.

#### Cash and Cash Equivalents

For the purpose of reporting cash flows, the Center considers all unrestricted highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

#### Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of contractual allowances and of individual accounts. 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. At June 30, 2014 and 2013, the allowance for doubtful accounts was \$88,420 and \$137,852, respectively.

## Notes to Consolidated Financial Statements

June 30, 2014 and 2013

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Accounts Receivable – Continued

In evaluating the collectability of accounts receivable, the Center analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Center records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Center's allowance for doubtful accounts methodology for self-pay patients remained consistent with prior year. The Center allows for 100% of patient account receivables over 90 days, 75% over 60 days and 50% under 60 days. The Center's allowance account decreased by \$49,432 from fiscal year 2013 to fiscal year 2014. In addition, the Center's provision for bad debts for self-pay patients increased \$28,455 from \$275,559 for fiscal year 2013 to \$304,004 for fiscal year 2014. The changes were the result of positive trends experienced in the collection of amounts from self-pay patients in fiscal year 2014. The Center has not changed its charity care or uninsured discount policies during fiscal years 2014 and 2013.

#### Property and Equipment

Property and equipment are stated at cost. Depreciation is being provided by use of the straight-line method over the estimated useful lives of assets ranging from three to forty years.

#### Goodwill

Goodwill represents the excess of cost over fair value of net assets acquired through the acquisition of Great Bay. In accordance with professional standards, no amortization of goodwill will be taken as the Center evaluates the goodwill on an annual basis for potential impairment.

#### Income Taxes

Goodwin Community Health is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and as such is exempt from federal income taxes on related income pursuant to Section 501(a) of the IRS Code. Great Bay is a nonexempt organization and files applicable Form 1120 (corporate return). No provision for income taxes was necessary as of June 30, 2014 and 2013.

Management evaluated the Center's tax positions and concluded that the Center had taken no uncertain tax positions that required adjustment to the consolidated financial statements. The Center does not expect that unrecognized tax benefits arising from tax positions will change significantly within the next twelve months. The Center is subject to U.S. federal and state examinations by tax authorities for years ended June 30, 2011 through June 30, 2014.

## Notes to Consolidated Financial Statements

June 30, 2014 and 2013

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Functional Expenses

The expenses of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, expenses have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program and support service are allocated directly. Other expenses that are common to several functions are allocated according to statistical bases.

#### Reclassifications

Certain amounts in the 2013 financial statement have been reclassified to conform to the 2014 presentation. There was no effect on the 2013 change in net assets as a result of such reclassifications.

### NOTE 2 – CASH AND CASH EQUIVALENTS

The Center maintains cash balances in a local financial institution. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times throughout the year, the Center's cash balances exceeded FDIC insurance. The Center has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

### NOTE 3 – ACCOUNTS RECEIVABLE

The composition of accounts receivable at June 30, were as follows:

	2014	2013
Medicare	\$ 41,067	\$ 37,570
Medicaid	145,010	17,944
MaineCare	4,576	11,070
Private Insurance	132,783	75,673
Patients	156,782	211,015
Other	<u>25,906</u>	<u>14,520</u>
	506,124	367,792
Less: allowance for doubtful accounts	<u>(88,420)</u>	<u>(137,852)</u>
	<u>\$417,704</u>	<u>\$229,940</u>

### NOTE 4 – GRANTS RECEIVABLE

Grants receivable as presented on the consolidated statements of financial position represent payment due on grants and contracts from state and federal agencies and other organizations and are considered fully collectible by management as of June 30, 2014 and 2013.

## Notes to Consolidated Financial Statements

June 30, 2014 and 2013

### NOTE 5 – PLEDGES RECEIVABLE

Pledges receivable are summarized as follows at June 30:

	2014	2013
General operations	\$ 6,000	\$15,599
Capital campaign	<u>11,461</u>	<u>20,931</u>
	<u>\$17,461</u>	<u>\$36,530</u>
Amounts due in:		
Less than one year	\$ 9,451	\$25,036
One to five years	<u>8,010</u>	<u>11,494</u>
	<u>\$17,461</u>	<u>\$36,530</u>

The discount rate was not material and therefore not applied in 2014 and 2013 and an allowance for uncollectible pledges was not considered necessary at June 30, 2014 and 2013.

### NOTE 6 – COST SETTLEMENT – MEDICARE

The Center renders services to individuals who are beneficiaries of the Federal Medicare program. Charges for services to beneficiaries of this program were billed to the Medicare intermediary. Settlements for differences between the interim rates paid by Medicare and the Center's actual cost for rendering care are based on annual cost report filings. The estimated amounts due to or from this program is reflected in the accompanying consolidated financial statements as cost settlement receivable or payable and are recorded as an increase or decrease to patient service revenue in the year the related care is rendered.

Any adjustments to the estimates as a result of final determination by the intermediary are recorded as increases or decreases to patient service revenue in the year of final determination.

### NOTE 7 – PROPERTY AND EQUIPMENT

The following summarizes property and equipment at June 30:

	2014	2013
Building and improvements	\$5,670,162	\$5,670,162
Land	718,427	718,427
Equipment and furniture	<u>1,331,701</u>	<u>1,331,701</u>
	7,720,290	7,720,290
Less: accumulated depreciation	<u>(1,444,256)</u>	<u>(1,172,424)</u>
	<u>\$6,276,034</u>	<u>\$6,547,866</u>

## Notes to Consolidated Financial Statements

June 30, 2014 and 2013

### NOTE 8 – LINES OF CREDIT

Goodwin Community Health maintained a \$150,000 line of credit with a financial institution. Interest is at the Wall Street Journal prime rate plus 1% with a floor rate of 6.25% (6.25% at June 30, 2014 and 2013, respectively). The line of credit was due on demand and secured by substantially all the assets of Goodwin Community Health. The outstanding balance on the line of credit at June 30, 2013 was \$132,280. The balance was paid in full and the line of credit closed during the year ended June 30, 2014.

Goodwin Community Health maintains a \$200,000 line of credit with Frisbie Memorial Hospital. The line of credit is interest free, unsecured and due on demand. The outstanding balances on the line of credit at June 30, 2014 and 2013 were \$193,500 and \$195,000, respectively.

### NOTE 9 – LONG-TERM DEBT

Long-term debt consisted of the following at June 30:

	2014	2013
Note payable to a financial institution payable in 240 monthly installments, initial payments of \$4,464 including interest at a fixed rate of 4.75% until December 2018 at which time monthly payments shall be adjusted to reflect changes in interest rates, due December 2029. The note is secured by real estate. **	\$ 584,049	\$ 607,470
Note payable to a financial institution payable in 60 monthly installments of \$596 including variable interest based on People's United Bank Prime Rate plus 1.50 percentage points over the index, currently at 4.75%, due June 2017, secured by all assets of Great Bay and an unlimited corporate guaranty of Goodwin Community Health.	19,307	25,359
Note payable to a not-for-profit corporation. The note is secured by real estate and substantially all the assets of the Center. An allonge dated September 19, 2012 extended the maturity date from July 1, 2014 to September 1, 2017 and converted the payment schedule to monthly principal and interest payments of \$8,069 with interest at 5.25%. **	288,858	368,172
Note payable to a not-for-profit corporation payable in monthly installments of \$1,709 including interest at a fixed rate of 1.00% due July 2016. The note is unsecured.	42,275	62,256
Note payable to a financial institution payable in 60 monthly installments of \$1,860 including interest at a fixed rate of 4.75% due January 2019. The note is secured by all assets. **	90,112	-
	<u>1,024,601</u>	<u>1,063,257</u>
Less: Current portion	<u>154,716</u>	<u>128,157</u>
	<u>\$ 869,885</u>	<u>\$ 935,100</u>



## Notes to Consolidated Financial Statements

June 30, 2014 and 2013

### NOTE 9 – LONG-TERM DEBT – CONTINUED

\*\* The notes are subject to various administrative and financial covenants which the Center was in compliance with at June 30, 2014.

Future minimum principal payments as of June 30, 2014 are as follows:

2015	\$ 154,716
2016	163,841
2017	148,442
2018	75,730
2019	43,045
Thereafter	<u>438,827</u>
	<u>\$1,024,601</u>

### NOTE 10 – PATIENT SERVICE REVENUE

The Center recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. It recognizes significant amounts of patient service revenue at the time services are rendered even though it does not assess the patient's ability to pay. For uninsured patients who do not qualify for charity care, the Center recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Center's uninsured patients will be unable or unwilling to pay for the services provided. Accordingly, the Center records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts, recognized in the period from these major payor sources, is as follows:

	2014	2013
Gross patient service revenue	\$6,078,965	\$5,723,972
Contractual adjustments	(737,859)	(619,738)
Charity care	<u>(542,126)</u>	<u>(636,207)</u>
Patient service revenue	<u>\$4,798,980</u>	<u>\$4,468,027</u>

The Center 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 services for which no payment is anticipated. In assessing a patient's eligibility for charity care, the Center uses federally established poverty guidelines. The Center is required to provide a full discount to patients with annual incomes at or below 100% of the poverty guidelines. For those patients with income between 100% and 200% of poverty guidelines, fees must be charged in accordance with a sliding scale discount policy based on family size and income. No discounts may be provided to patients with incomes over 200% of federal poverty guidelines.

Charity care is measured based on services provided at established rates but is not included in net patient service revenue. Costs and expenses incurred in providing these services are included in operating expenses. The Center determines the costs associated with providing charity care by calculating a ratio of costs to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. Under this methodology, the estimated costs of caring for charity care patients for the years ended June 30, 2014 and June 30, 2013 were approximately \$680,000 and \$790,000, respectively. Charges for services rendered to individuals from whom payment is expected and ultimately not received are written off as part of the provision for bad debts.

## Notes to Consolidated Financial Statements

June 30, 2014 and 2013

### NOTE 11 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30:

	2014	2013
Grants for construction costs	\$5,107,237	\$5,245,938
Grants for equipment	246,178	347,524
Grants for regional network	49,105	
Pledges receivable	<u>17,461</u>	<u>36,530</u>
	<u>\$5,419,981</u>	<u>\$5,629,992</u>

### NOTE 12 – GRANTS, CONTRACTS AND CONTRIBUTION REVENUE

Grants, contracts and contributions included in operating revenue and support in the consolidated statements of activities consisted of the following at June 30:

	2014	2013
U.S. Department of Health and Human Services Community Health Center Grant	\$ <u>983,748</u>	\$ <u>808,480</u>
State of New Hampshire		
Family Planning	114,834	130,905
Primary Care	323,005	248,712
Public Health	150,103	
Oral Health	34,778	18,077
Substance Abuse & Prevention		74,237
Breast and Cervical Cancer Screening	37,255	31,102
Woman, Infants, and Children	<u>433,714</u>	<u>452,980</u>
	<u>1,093,689</u>	<u>956,013</u>
Wentworth Douglass Hospital	150,000	125,000
NH Charitable Foundation	50,000	104,554
Other grants and contributions	<u>198,356</u>	<u>177,344</u>
	<u>398,356</u>	<u>406,898</u>
	<u>\$2,475,793</u>	<u>\$2,171,391</u>

### NOTE 13 – DEFINED CONTRIBUTION 401(k) PLAN

The Center sponsors a defined contribution 401(k) plan for all eligible employees. Employer discretionary matching contributions are 100% of contributions up to 3% of eligible employees' salaries. In September 2010, the Center temporarily suspended the employer match.

### NOTE 14 – LEASES

The Center is lessor under several non-cancelable leases for certain office space in its Somersworth, New Hampshire location. The leases call for monthly rental payments ranging from \$225 to \$863 and expire in April 2016.

The Center leased office space as a tenant at will. Rent expense was \$6,600 for the years ended June 30, 2014 and 2013.

## Notes to Consolidated Financial Statements

June 30, 2014 and 2013

### NOTE 15 – WIC FOOD VOUCHERS

The Center acts as a conduit for the State of New Hampshire's Special Supplemental Food Program for Women, Infants and Children (WIC). This program is funded by the U.S. Department of Agriculture (C.F.D.A 10.557). The value of food vouchers distributed by the Center was \$1,572,910 and \$1,644,806 for the years ended June 30, 2014 and 2013, respectively. These amounts are included in the accompanying consolidated financial statements.

### NOTE 16 – CONTINGENCIES

#### Notice of Federal Interest

During the year ended June 30, 2011, the Center received federal grant funding totaling \$4,957,300 under the ARRA - Facilities Improvement Program for construction of a new health center building. The project was completed and the building was placed in service in May 2011. In accordance with the grant agreement, a Notice of Federal Interest (NFI) is required to be recorded in the appropriate official records of the jurisdiction in which the property is located. The NFI is designed to notify any prospective buyer or creditor that the Federal Government has a financial interest in the real property acquired under the aforementioned grant; that the property may not be used for any purpose inconsistent with that authorized by the grant program statute and applicable regulations; that the property may not be mortgaged or otherwise used as collateral without the written permission of the Associate Administrator of the Office of Federal Assistance Management, Health Resources and Services Administration (OFAM, HRSA); and that the property may not be sold or transferred to another party without the written permission of the Associate Administrator of OFAM and HRSA.

#### Mortgage Deed

During the year ended June 30, 2011, the Center was the beneficiary of an award by the New Hampshire Community Development Finance Authority (CDFA) of \$108,000 in the form of Community Development Investment Program (CDIP) funds. The grant was awarded for the purposes of development and construction of a new health center building. On August 4, 2011, a mortgage deed was given to guarantee a long-term benefit to low and moderate-income individuals, by requiring that the property remain in the ownership of the Center, or another non-profit entity approved by CDFA, for a period of ten years. In the event the project property is sold to a third party, not approved by CDFA, an amount equal to the total amount of CDIP funds disbursed by CDFA (\$108,000) will be repaid to CDFA.

### NOTE 17 – EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 25, 2014, the date the consolidated financial statements were available to be issued.

## Consolidating Schedule of Financial Position

June 30, 2014

ASSETS	Goodwin Community Health	Great Bay	Eliminations	Consolidated
<b>Current Assets</b>				
Cash and cash equivalents	\$ 634,174	\$ 21,405		\$ 655,579
Accounts receivable, net	446,806	125,184	\$ (154,286)	417,704
Grants receivable	145,940			145,940
Current portion of pledges receivable	9,451			9,451
Prepaid expenses	5,896	1,797		7,693
<b>Total Current Assets</b>	<u>1,242,267</u>	<u>148,386</u>	<u>(154,286)</u>	<u>1,236,367</u>
<b>Property and Equipment, Net</b>	<u>6,272,158</u>	<u>3,876</u>		<u>6,276,034</u>
<b>Other Assets</b>				
Goodwill	45,000		(27,418)	17,582
Pledges receivable, net of current portion	8,010			8,010
<b>Total Other Assets</b>	<u>53,010</u>		<u>(27,418)</u>	<u>25,592</u>
<b>Total Assets</b>	<u>\$ 7,567,435</u>	<u>\$ 152,262</u>	<u>\$ (181,704)</u>	<u>\$ 7,537,993</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 180,453	\$ 154,407	\$ (153,623)	\$ 181,237
Accrued expenses	306,222	57,601		363,823
Lines of credit	193,500			193,500
Current portion of long-term debt	148,377	6,339		154,716
<b>Total Current Liabilities</b>	<u>828,552</u>	<u>218,347</u>	<u>(153,623)</u>	<u>893,276</u>
<b>Long-term Liabilities</b>				
Long-term debt, net of current portion	856,917	13,631	(663)	869,885
<b>Total Liabilities</b>	<u>1,685,469</u>	<u>231,978</u>	<u>(154,286)</u>	<u>1,763,161</u>
<b>Net Assets</b>				
Unrestricted (Deficit)	461,985	(79,716)	(27,418)	354,851
Temporarily restricted	5,419,981			5,419,981
<b>Total Net Assets (Deficit)</b>	<u>5,881,966</u>	<u>(79,716)</u>	<u>(27,418)</u>	<u>5,774,832</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 7,567,435</u>	<u>\$ 152,262</u>	<u>\$ (181,704)</u>	<u>\$ 7,537,993</u>

## Consolidating Schedule of Activities of Unrestricted Net Assets

Year Ended June 30, 2014

	Unrestricted Goodwin Community Health	Unrestricted Great Bay	Eliminations	Total
<b>Operating Revenue and Support</b>				
Patient service revenue	\$ 4,057,589	\$ 741,391		\$ 4,798,980
Provision for bad debts	(302,150)	(1,854)		(304,004)
Net patient service revenue	<u>3,755,439</u>	<u>739,537</u>		<u>4,494,976</u>
Grants, contracts and contributions	2,409,793			2,409,793
WIC food vouchers	1,572,910			1,572,910
Other	150,554			150,554
	<u>7,888,696</u>	<u>739,537</u>		<u>8,628,233</u>
Net assets released from restrictions	276,011			276,011
<b>Total Operating Revenue and Support</b>	<u>8,164,707</u>	<u>739,537</u>		<u>8,904,244</u>
<b>Functional Expenses</b>				
Program services	6,733,373	613,197	\$ (46,161)	7,300,409
Fundraising	137,934			137,934
General and administrative	966,043	89,379	(5,129)	1,050,293
<b>Total Expenses</b>	<u>7,837,350</u>	<u>702,576</u>	<u>(51,290)</u>	<u>8,488,636</u>
<b>Change in Unrestricted Net Assets from Operations</b>	<b>327,357</b>	<b>36,961</b>	<b>51,290</b>	<b>415,608</b>
<b>Non-Operating Revenue and Support</b>				
Rent income	64,340		(51,290)	13,050
<b>Total Change in Unrestricted Net Assets</b>	<b>391,697</b>	<b>36,961</b>		<b>428,658</b>
<b>Unrestricted Net Assets (Deficit), Beginning of Year</b>	<u>70,288</u>	<u>(116,677)</u>	<u>(27,418)</u>	<u>(73,807)</u>
<b>Unrestricted Net Assets (Deficit), End of Year</b>	<u>\$ 461,985</u>	<u>\$ (79,716)</u>	<u>\$ (27,418)</u>	<u>\$ 354,851</u>

**Consolidating Schedule of Functional Expenses**

Year Ended June 30, 2014

	Goodwin Community Health			Great Bay Mental Health Associates, Inc.				
	Program	Fundraising	General and Administrative	Program	General and Administrative	Total	Eliminations	Consolidated
Personnel	\$ 3,181,670	\$ 88,625	\$ 462,402	\$ 3,732,697	\$ 482,239	\$ 41,600	\$ 523,839	\$ 4,266,536
Salaries and wages	796,210	20,778	181,659	998,647	43,706	3,182	46,888	1,045,535
Payroll taxes and employee benefits	3,977,880	109,403	644,061	4,731,344	525,945	44,782	570,727	5,302,071
Other	1,572,910			1,572,910				1,572,910
WIC food vouchers	222,916		46,881	269,797	204	1,832	2,036	271,833
Depreciation	219,472	2,554	34,066	256,092	1,451	161	1,612	257,704
Equipment leases and supplies	100,935	200	45,473	146,608	11,256	31,792	43,048	189,656
Professional fees	131,695			131,695				131,695
Medical supplies	114,921			114,921				114,921
Physician services	63,163	490	29,016	92,669				92,669
Repairs and maintenance	46,302		23,853	70,155				70,155
Utilities			57,006	57,006		239	239	57,245
Interest	72,844	182	563	73,589				73,589
Lab and radiology fees	11,233		26,647	37,880	11,526	3,594	15,120	53,000
Insurance	46,696	151	9,189	56,036	6,867	763	7,630	63,666
Office materials	18,368	275	10,092	28,735	3,665	407	4,072	32,807
Postage and shipping	34,844		3,537	38,381	2,619	291	2,910	41,291
Telephone and communications	15,342	375	12,360	28,077				28,077
Dues and subscriptions	20,477	20,857	252	41,586	323	36	359	41,945
Advertising and promotion	20,448	668	5,993	27,109				27,109
Travel	21,783	270	6,396	28,449				28,449
Education and training	12,170		5,570	17,740	46,161	5,129	51,290	17,740
Rent	7,594		2,885	10,479	3,180	353	3,533	14,012
Service charges	1,380	2,509	836	4,724				4,724
Printing			1,368	1,368				1,368
Real estate taxes	2,755,493	28,531	321,982	3,106,006	87,252	44,597	131,849	3,186,565
Total Functional Expenses	\$ 6,733,373	\$ 137,934	\$ 966,043	\$ 7,837,350	\$ 613,197	\$ 89,379	\$ 702,576	\$ 8,488,636
							(51,290)	

See independent auditors' report.

## Goodwin Community Health

Name/Address	Occupation
<b>Chair</b> David B. Staples, DDS	Dentist <b>Consumer</b>
<b>Vice Chair</b> Valerie Goodwin	Business <b>Consumer</b>
<b>Board Treasurer</b> Mark Boulanger	CPA
<b>Board Secretary:</b> Kirsten Jones	Service Industry <b>Consumer</b>
<b>Board Members</b>	
Robert F. Kraunz, MD	Retired Physician
Allison Neal	Education Consultant <b>Consumer</b>
Hilton Kelly	Financial Advisor <b>Consumer</b>
Allyson Hicks	Hospital Finance Director
Don Chick	Photographer <b>Consumer</b>
Mathurin Malby, MD	Physician
Timothy M. Harrington, Esq.	Attorney
Jennifer Glidden	DHHS Admin. Supervisor <b>Consumer</b>
Lisa Hall	Retired Accountant

# JANET MARIE LAATSCH



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Professional Health Care Administrator with years of leadership experience  
in operations, finance and development.

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## SUMMARY OF SKILLS

*Budget Development and Management \* Financial projections \* Grant Writing \* Development  
Strategic Planning \* Relationship Building \* Patient Satisfaction  
Quality Improvement \* Provider Recruitment and Retention*

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## PROFESSIONAL EXPERIENCE

Goodwin Community Health, Somersworth, NH –An Innovative Federally Qualified Health Center with an integrated health care model quoted by the Commissioner as the ‘model of the future’ for NH.

### Executive Director

2005-Present

- Created an innovative, affordable health care program for small-medium businesses
- Created strategic partnerships and collaborative programs with other health care organizations
- Advanced the Health Center by receiving \$5.8M in grant funding for a new building
- Merged three locations into one, reduced costs and improved access
- Secured over \$25M in grant funding since 2001
- Initiated and integrated behavioral and primary care
- Realized revenue growth through increased collections
- Performed ongoing Board development
- Acquired a for-profit mental health practice
- Successful recruitment and retention of providers
- Submitted and awarded NCQA Medical Home, Level III Certification
- Demonstrated improvements in patient outcomes and satisfaction

### CEO Great Bay Mental Health Associates

2012-Present

- Recruited seven new therapist/prescribers
- Recognized a surplus for the first time in 12 months

### Finance Director

2003-2005

- Awarded Federally Qualified Health Center grant in 2004-\$750,000 in perpetuity
- Additional grant award for \$150,000 to expand into behavioral health
- Obtained \$450,000 in grants to initiate the oral health program
- Ended each year with a surplus
- Successful integration of oral health and primary care

### Fund Development

2001-2003

- 80% success rate for grants
- Successful annual appeals

### Grant Writing Services, N. Hampton, NH Sole Proprietor

1999-2001

- Successfully wrote and received grants for health care organizations and education



- Development of a business plan for a local specialist practice.

North Shore Medical Center (Partners Health Care)

1998-1999

Salem, MA

Consultant for North Shore Community Health Center

- Hired for a year to improve cash flow and operations
- Successfully ended up with a surplus
- Recruitment of a Medical Director, and other providers
- Successful obtained state and federal funding to support the Health Center

Director of Nursing for ambulatory and emergency care

1993-1998

- Co-Chair of the Nursing Quality Improvement Committee
- Increased revenue per visit in the emergency room
- Successfully prepared new clinics for licensure and accreditation
- Community Benefit liaison for the hospital
- Co-Chair of the Community Health Network for the North Shore Hospital
- Obtained several awards from Partners Health Care for Community Leadership

Manager of Intermediate Cardiac Care and Telemetry Unit

1991-1993

- Reduction in length of stay by 1.5 days
- Development of a new 24 hour observation unit for patients with chest pain
- Increased skill level of nursing staff to reduce cardiac care length of stay
- Implementation of new patient care models to reduce the cost of care

Registered Nurse- Various positions as a RN including ICU, ER, Boston Visiting Nurse Assoc.

1981-1991

**EDUCATION:**

University of New Hampshire: M.B.A.

Graduated

Durham, N.H.

Concentration in Finance

1991

Northern Michigan University: B.S.N.

Marquette, M.I.

Minor in Biology

1981

**VOLUNTEER ACTIVITIES:**

Rochester NH Rotary Member and Past President  
 Board member Community Health Access Network  
 Board member for Bi-State Primary Care Association  
 Past United Way of the Greater Seacoast Board Member


**LICENSES:**

N.H. Real Estate Broker

N.H. Nursing License

**INTERESTS/PERSONAL:**

Running, hiking, reading, leadership development

**Erin E. Ross**  
311 Route 108, Somersworth, NH 03878  
Email Address: [eross@goodwinch.org](mailto:eross@goodwinch.org)  


**Objective**

Obtain a position in Health Care, which will continue to build knowledge and skills from both education and experiences gained.

**Qualifications**

Mature, energetic individual possessing management experience, organizational skills, multi-tasking abilities, good work initiative and communicates well with internal and external contacts. Proficient in computer skills with a strong background using all applications within Microsoft Office programs.

**Education**

September 1998 – May 2002 **Bachelor of Science in Health Management & Policy**  
University of New Hampshire  
Durham, New Hampshire 03824

**Related Experience**

August 2006 – Present

**Service Expansion Director**

Avis Goodwin Community Health Center

- Responsible for the overall function of the Winter St location of Avis Goodwin Community Health Center.
- Maintain all clinical equipment and order all necessary supplies.
- Coordinate the scheduling of all clinical and administrative staff in the office.
- Assist with the continued integration of dental services and now mental health services to existing primary care services.
- Assist with the integration of private OB/GYN practice into Avis Goodwin Community Health Center.
- Organize patient outcome data collection and quality improvement measures to monitor multiple aspects and assure sustainability for Avis Goodwin Community Health Center.

May 2005 – August 2006

**Site Manager, Dover Location**

Avis Goodwin Community Health Center

- Responsible for the overall function of the Dover location of Avis Goodwin Community Health Center.
- Maintain all clinical equipment and order all necessary supplies.
- Assist with the continued integration of dental services and now mental health services to existing primary care services.
- Coordinate the scheduling of all clinical and administrative staff in the office.
- Organize patient outcome data collection and quality improvement measures to monitor multiple aspects and assure sustainability for Avis Goodwin Community Health Center.

January 2005 – November 2005

**Front Office Manager**

Avis Goodwin Community Health Center

**Whitney E. Goode, DMD**

311 Route 108, Somersworth, NH 03878 [wgoode@godwinch.org](mailto:wgoode@godwinch.org)

**Educational Experience**

- **Tufts University School of Dental Medicine**, Boston, Massachusetts  
DMD, 2007
- **Kalamazoo College**, Kalamazoo, Michigan  
Bachelor of Liberal Arts, 2003      Major: Chemistry
- **L'Ecole Superieure de Commerce**, Clermont-Ferrand, France  
7 month study abroad program, completed an Inter Cultural Research Project entitles  
“The ways in which the Secours Catholique helps underprivileged families in French  
society”

**Work Experience**

- **Avis Goodwin Community Health Care** (August 2007- Present)  
Staffed Dentist
- **Community Health Center of South Dade** (May – June 2006)  
Participated in community service externship under the direction of Dr. Sheri Watson
- **Kalamazoo College** (2002-2003)  
Performed research under the direction of Dr. Regina Stevens-Truss
- **Karmanos Cancer Institute** (June – August 2001)  
Acted as a research assistant to Dr. Diane Brown, volunteered at the Walt Breast Clinic
- **Kalamazoo College Peer Leader** (2001-2001)  
Served as a peer leader to the incoming class of 2004

**GREGORY FREDETTE, DMD**

311 Route 108, Somersworth, NH 03878 603-749-2346  
[gfredette@GoodwinCH.com](mailto:gfredette@GoodwinCH.com)

**EDUCATION:**

**Tufts University School of Dental Medicine, Boston, MA**  
Doctor of Dental Medicine  
Graduation May 2012

**Worcester Polytechnic Institute, Worcester, MA**  
Bachelor of Science in Biomedical Engineering  
Graduation May 2008

**EXPERIENCE:**

**Staff Dentist, Goodwin Community Health, Somersworth, NH**

Full-time general dentist in a Federally Qualified Health Clinic that accepted all insurances, including Medicaid, and offered sliding fee schedule for low income patients. Performed preventative, restorative and emergency care on a full range of dental patients.  
September 2013-Present

**Associate Dentist, Gentle Dental, Quincy, MA**

Performed a full range of dental services, including exams and treatment plans, restorative, endodontic crown and bridge, removable prosthodontics, and extractions.  
June 2012-August 2013

**Dental Extern, Penobscot Community Health Clinic, Bangor, ME**

Completed a five-week dental externship in a busy dental clinic. Performed a variety of procedures, including endodontics, extractions, pediatric, and restorative dentistry  
October-November 2011

**HONORS:**

Thomas B. Hunt Endowed Scholarship, 2011  
Dr. Alfred Osher and Mrs. Suzi Osher Endowed Scholarship, 2011  
National Board Dental Examination Part II, Tufts University Dean's Honor Roll, 2011  
National Board Dental Examination Part I, Tufts University Dean's Honor Roll, 2010

**PROFESSIONAL MEMBERSHIPS:**

American Dental Society, 2008-Present  
Massachusetts Dental Society, 2008-Present  
New Hampshire Dental Society, 2013-Present

**PROFESSIONAL MEETINGS:**

Yankee Dental Congress, Boston, MA, 2008-Present

**CONTINUING EDUCATION:**

"Suture Techniques", Hur, Yong, 2013  
Yankee Dental Congress. Boston. MA

**Lisa Slaughter, D.M.D.**

311 Route 108

Somersworth, NH 03878

(603) 749-2346

[lslaughter@goodwinch.org](mailto:lslaughter@goodwinch.org)

Objective: Public Health General Dentist

**Education:**

D.M.D., Tufts University School of Dental Medicine, 2007

B.S., Biology, St. Michael's College, 2002

Mt. Blue High School, 1994-1998

**Honors:**

Dean's Honor Roll for performance on National Boards Part II, 2006

Tufts University School of Dental Medicine

Graduated Magna Cum Laude, 2002

St. Michael's College

**Skills:**

Patient communication and education

Digital radiology

AXIUM and Centricity digital record systems

**Work Experience:**

General Dentist, January 2009-Present

Goodwin Community Health, Somersworth, NH

Locum Tenens General Dentist, September-October 2010

Tamworth Dental Center, Tamworth, NH

Associate General Dentist, September 2007-September 2008

Paul W. Conrad, D.D.S., P.C. and Associates, Montclair, VA

Dental Extern, November-December 2006

V.A. Hospital dental clinic, Togus, ME

Teaching Assistant, fall 2006

Tufts University School of Dental Medicine, Geriatric Dentistry

References: Available upon request

Jodi Carnes, R.D.H.

311 Route 108, Somersworth, NH 03878



[Jcarnes@goodwinch.org](mailto:Jcarnes@goodwinch.org)

### WORK HISTORY

Nov. 2004-Present

Hygienist; Goodwin Community Health

311 Route 108

Somersworth, NH 03878

Dental Hygienist. Duties include all aspects of hygiene including treatment planning, ordering, referrals to specialists, training new dental team members on our Logician Computer System; I have also created PowerPoint presentations to medical staff and the agencies Board Members. Presented CQI outcomes at State Dental meeting. Along with helping grant writing and fundraising as needed.

Sept. 1995 – Nov. 2004

Hygienist; Dr. Richard Farina

74 South Main St.

Rochester, NH 03869

Dental hygienist and department head in preventative oriented general practice. My staff includes 5 hygienists, 1 hygiene assistant, and 1 hygiene coordinator. I am responsible for weekly department meetings, ordering supplies and training of staff members. Clinical duties include set up and initiation of periodontal programs, use of sealants, fluoride, Panorex and Cephalometric x-rays, and use of Dentrax Dental Systems chair side in operatory including restoration and periodontal charting, intraoral camera presentations and complete treatment planning.

April 2004-Present

Dentrax Certified Trainer.

July 1999-present

Hygienist; Dr. David Staples and Dr. Nicholas Kanelos (Garrison Family Dental)

801 Central Ave.

Dover NH, 03820

Temporary dental hygienist as needed

#### **EDUCATION**

- Associates in Science with a major in Dental Hygiene  
NH Technical Institute, Concord, NH 1995
- In office Management Training Program 2008

#### **PROFESSIONAL AFFILIATION**

Member of ADHA

#### **REFERENCES**

- Furnished upon request



## **Kelly L Mackey**

### **Education:**

2012 - Currently enrolled at Granite State College for final course to complete Bachelors degree in Applied Studies/ Management.

2006 – Local Anesthesia for the Dental Hygienist – New Hampshire Technical Institute (NHTI), Concord, N.H.

2005 – Associate in Science with a major in Dental Hygiene NHTI, Concord, N.H. Graduated with honors

### **Dental Experience:**

- Experience in dental assisting
- Familiar with Dentrix.
- Highly skilled in patient management
- Competent with digital radiography, periodontal treatment, and local anesthesia
- Volunteered Give Kids a Smile Day – Goodwin Community Health – 2011-2013
- Volunteered 2011 Strafford Elementary Health Class

### **Employment:**

#### **Goodwin Community Health (July 2005 – Present)**

Rte 108, Somersworth, NH

Position: Dental Hygienist providing comprehensive dental care to all age groups.

#### **Concord General Mutual Insurance Company (Aug 1998 - Mar 2003)**

4 Bouton St. Concord NH, 1- 800- 852- 3380

Administrative Assistant for Information Systems Department  
Accounting clerk, Customer service representative

### **Professional Membership:**

American Dental Hygienists Association, NHDHA - current

### **Certification:**

Local Anesthesia

CPR certified by American Heart Association (expiration June 2014)

**References:** Available upon request

**Alison J. Belmore**  
**311 Route 108**  
**Somersworth, New Hampshire 03878**  
**(603) 749-2346**

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### **EXPERIENCE**

<b>Goodwin Community Health, Somersworth, NH</b> <b>Dental Coordinator</b> Dental Insurance, Billing, Scheduling, Coordinate coverage for dental staff, Oversee dental orders, handle all administrative work for dental grants.	8/2013 - present
<b>Goodwin Community Health, Somersworth, NH</b> <b>Patient Advocate</b> Scheduling, Dental Pain Triage, Cashing out drawers end of day, Patients: 1 <sup>st</sup> line of contact for billing decisions and assistance	3/2012 – 8/2013
<b>Aroma Joes, Somersworth, NH</b> Work with the public serving coffee and cashier	10/2009 – 3/2012
<b>Belknap Dental Assoc., Dover, NH</b> Part-time office work and assisting with x-rays; hygienist charts; appointment scheduling; etc.	09/2005- 08/2008
<b>Gunstock Ski Resort, Gilford, NH</b> Children's center instructor	11/2204 – 03/2007

### **EDUCATION**

Tufts University School of Dental Medicine Continuing Education - Radiology / X-Ray Course	2011	
New England Dental Assisting School Dental Assisting Certificate Concord, NH	November 2010	
Great Bay Community College Stratham, NH	full time student	January, 2009 – May, 2010
Keene State College Keene, NH	full time student	September, 2008 – December 2008
Dover High School Dover, NH	Diploma	May 2008

**Lisa Slaughter, D.M.D.**



**Objective:** Public Health General Dentist

**Education:**

D.M.D., Tufts University School of Dental Medicine, 2007

B.S., Biology, St. Michael's College, 2002

Mt. Blue High School, 1994-1998

**Honors:**

Dean's Honor Roll for performance on National Boards Part II, 2006

Tuft's University School of Dental Medicine

Graduated Magna Cum Laude, 2002

St. Michael's College

**Skills:**

Patient communication and education

Digital radiology

AXIUM and Centricity digital record systems

**Work Experience:**

General Dentist, January 2009-Present

Avis Goodwin Community Health Center

Rochester, NH

Locum Tenens General Dentist, September-October 2010

Tamworth Dental Center

Tamworth, NH

Associate General Dentist, September 2007-September 2008

Paul W. Conrad, D.D.S., P.C. and Associates

Montclair, VA

Dental Extern, November-December 2006

V.A. Hospital dental clinic

Togus, ME

Teaching Assistant, fall 2006

Tufts University School of Dental Medicine

Geriatric Dentistry

**References:** Available upon request

Alison J. Belmore  
311 Route 108  
Somersworth, New Hampshire 03878  
(603) 749-2346

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## EXPERIENCE

**Goodwin Community Health, Somersworth, NH** 8/2013 - present  
**Dental Coordinator**  
Dental Insurance, Billing, Scheduling, Coordinate coverage for dental staff,  
Oversee dental orders, handle all administrative work for dental grants.

**Goodwin Community Health, Somersworth, NH** 3/2012 – 8/2013  
**Patient Advocate**  
Scheduling, Dental Pain Triage, Cashing out drawers end of day,  
Patients: 1<sup>st</sup> line of contact for billing decisions and assistance

**Aroma Joes, Somersworth, NH** 10/2009 – 3/2012  
Work with the public serving coffee and cashier

**Belknap Dental Assoc., Dover, NH** 09/2005- 08/2008  
Part-time office work and assisting with x-rays;  
hygienist charts; appointment scheduling; etc.

**Gunstock Ski Resort, Gilford, NH** 11/2204 – 03/2007  
Children's center instructor

## EDUCATION

Tufts University School of Dental Medicine 2011  
Continuing Education - Radiology / X-Ray Course

New England Dental Assisting School  
Dental Assisting Certificate  
Concord, NH November 2010

Great Bay Community College  
Stratham, NH full time student January, 2009 – May, 2010

Keene State College full time student September, 2008 – December 2008  
Keene, NH

Dover High School Diploma May 2008  
Dover, NH

## OTHER

**Rotary RYLA Leadership**  
Completed camp program

2006

### **Volunteer**

Soup kitchen and babysitting at local church; Toys 4 Tot

## **References**

Ms. Kelly Levy, Operations Manager  
Belknap Dental Associates  
Dover, NH

603-742-4735

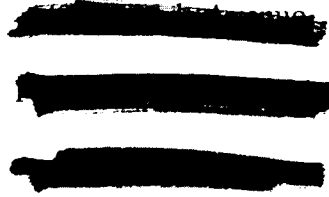
Ms. Jennifer Carberry, Belknap Dental Hygienist

603-742-4735

Ms. Robin Parson, Children's Center Manager  
Gunstock Ski Mountain Resort  
Gilford, NH

603-293-4341

## Whitney E. Goode



### Educational Experience

- **Tufts University School of Dental Medicine, Boston, Massachusetts**  
DMD, 2007
- **Kalamazoo College, Kalamazoo, Michigan**  
Bachelor of Liberal Arts, 2003      Major: Chemistry
- **L'Ecole Superieure de Commerce, Clermont-Ferrand, France**  
7 month study abroad program, completed an Inter Cultural Research Project entitles  
“The ways in which the Secours Catholique helps underprivileged families in French  
society”

### Work Experience

- **Avis Goodwin Community Health Care (August 2007- Present)**  
Staffed Dentist
- **Community Health Center of South Dade (May – June 2006)**  
Particiapted in community service externship under the direction of Dr. Sheri Watson
- **Kalamazoo College (2002-2003)**  
Performed research under the direction of Dr. Regina Stevens-Truss
- **Karmanos Cancer Institute (June – August 2001)**  
Acted as a research assistant to Dr. Diane Brown, volunteered at the Walt Breast Clinic
- **Kalamazoo College Peer Leader (2001-2001)**  
Served as a peer leader to the incoming class of 2004

## Whitney E. Goode

P

- **Port Huron Municipal Marinas** (June-September 1999, 2000)

Position: Dock Attendant

- **Dr. Goode's Dental Office** (1996-2000 sporadically)

Discovered the various aspects of a dentist and a dental office's work

### Research/Scientific Achievements

- **Kalamazoo College**

Research project entitled "*Spectrophotometric analysis of nitric oxide synthase: Effects of solvent composition on the heme pocket*" published in 2003

- **Karmanos Cancer Institute in cooperation with Wayne State University**

Research project entitled "*The effects of spiritual based therapy on the emotional well-being of African American Breast Cancer Patients*" published in 2004

- Assisted in research for a medical publication and debate on orthopedic surgery. "*The Successful Treatment of Cubital Tunnel Syndrome Does Not Require Transposition of the Ulnar Nerve: proponents Statement*" published in the Journal of Hand Surgery November 1999

- **MASTER (Math and Science Technology Enriched Research)** (1995-1999)

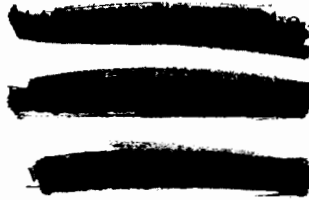
- St. Claire County Science and Engineering Fair (1996-1999)

~1996 "*The effects of fluoride on tooth decay*" 2<sup>nd</sup> Place

~1997 "*the effects of wearing orthodontics and the stress on your body*" 1<sup>st</sup> Place

~1999 "*the effects of ethlenediaminetetracetic acid on vitamin B3 deficiency in irradiated poultry*" 1<sup>st</sup> Place

## Whitney E. Goode



~1998 *"the effects of ethlenediaminetetraacetic acid on poultry bacteria's susceptibility to irradiation"* Grand Prize

- International Science and Engineering Fair, Ft. Worth, TX (May 1998)

~ 2<sup>nd</sup> Place with same 1998 project

### Other Acheivements

- Dental Class Secretary (2003-2004) and (2005-2007)
- Delta Sigma Delta Dental Fraternity Secretary (2005-2006)
- Kalamazoo College Honors Award (four year merit scholarship)
- Chairperson, National Honor Society (1998-1999)
- Rotary Exchange Student Williamshaven, Germany (July 1997)

### Activities

- Member, Smile Squad, Tufts University (2003-2007)
- Member, Delta Sigma Delta, Tufts University (2003-2007)
- Member, SAC (Student Activities Committee), Kalamazoo College (1999-2003)
- Member & Secretary, American Chemical Society, Kalamazoo College (1999-2003)
- Volunteer, K Crew (Admissions Office Volunteer) Kalamazoo College (1999-2003)
- Soccer, travel, high school and intramural college (1991-1999, 2002-2003)
- Volunteer, Red Cross, Kalamazoo, MI and Port Huron, MI (1997-2001)
- Mentor, Bridge Builders Counseling Center, Port Huron, MI (1997-1999)



## **DONNA H. JONES**

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### **QUALIFICATIONS:**

- 33years of professional experience in the Dental field
- Cardiopulmonary Resuscitation Certification
- State of New Hampshire Sealant certification
- State of New Hampshire X-ray certification
- Certificate of Completion on "How to Avoid Potential Collection Problems"
- Brookhaven Occupational Educational School, Yaphank, NY Dental Assisting Program
- Sinclair Community College
- DISC Seminar
- Anesthesia Assistant National Certification
- DAANCE Certification
- Nitrous Oxide Oxygen Sedation Certification
- CDA Certification
- Coronal Polishing Certification
- OSHA Officer

### **EXPERIENCE:**

#### **Back Office Duties**

- Assisting Dentist in all aspects of dentistry including orthodontics and implants
- Preparing instrument trays/sterilizing and disinfecting equipment
- Take digital x-rays/impressions/make bleaching trays, night guards, custom trays, etc.
- Direct Doctor to proper operatories
- Pack cord/make temporary's/pour mount and trim models, organize lab system
- Place sealants/place temporary medicated fillings/change ortho wires
- Ordering of supplies
- Treatment planning
- Full range of Oral Surgery Assisting Duties including implant coordinator

#### **Front Office Duties**

- Checking patients in and out
- Answering multi-line phones/Computer scheduling appointments/Recall
- Financial Arrangements/Treatment plans
- Electronic Insurance filing/benefit coverage confirmation/Medicaid
- Implemented New Computer System/ Trained office personnel in Eaglesoft
- Chart auditing/maintaining treatment records on Dentrix , Eaglesoft and OMS
- Bookkeeping/accounts receivable and payable

### **EMPLOYMENT:**

8/2013 to present	Goodwin Community Health, Somersworth NH, Dental Assistant
4/2012 to 8/2013	The Kids Dentist, Rochester NH, Dental Assistant
6/2008 to 7/2011	Seacoast Dental Implant and Oral Surgery Center, Portsmouth and Rochester NH, Surgical Assistant/ Front desk
9/2005 to 6/2008	Wentworth Douglass Community Dental Center, Dover NH, Dental Assistant
9/1999 to 10/2004	Dr. David Ness, Somersworth, NH Dental Assistant
9/1998 to 6/1999	Dr. Cho & Dr. Schmidt, Sacramento, CA Dental Assistant
9/1995 to 4/1998	GCDC, Dr Iwata, Anchorage, AK Dental Assistant
9/1991 to 6/1995	Dr. Mark Blumenschein, Dayton, OH, Assistant
6/1986 to 1/1991	Seacoast Oral Surgery, Dr. Auty, Dr. Clarizio, Dr. Leffingwell, Portsmouth, NH, Dental Assistant, Receptionist, Collections, Financial Advisor

# Jessica Levasseur

[Jlevasseur@goodwinch.org](mailto:Jlevasseur@goodwinch.org)

## Professional Summery

I went to New Hampshire Technical Institute for dental assisting. I graduated school with a Certificate, and took my DANB state Exams. I am a CDA.

## Licenses

I have my CDA i am certified in taking x-rays, sealants, coronal polishing, crown and bridge, suture removal, impressions, and placing fluoride.

## Skill Highlights

- fast with computers
- X-rays
- fast at taking FMX
- Sealants (SE)
- Suture removal competency
- Office management professional
- Computer charting
- Current X-Ray certification
- Post-extraction dressings
- Vital signs aptitude
- Infection Control (ICE)
- Topical Fluoride (TF)
- Study Model pour and trim
- OSHA training
- Dental Equipment Maintenance
- Child tooth Charting
- CPR
- Digital radiology
- Dentrax
- Coronal Polishing

## Professional Experience

Goodwin Community Health Center  
Dental assistant  
Somersworth NH

June 16,2014- Current

Greeted and prepared patients for dental examinations. Properly sterilized dental equipment and examination rooms in accordance with infection control policies. Effectively operated x-ray machines and developed x-rays. Coordinated appointment schedules for both the dentist and oral surgeon. Routinely completed inventory, supply orders and restocked supplies. Made preliminary impressions for study casts and occlusal registrations for mounting study casts.  
Etc.

## Education and Training

New Hampshire Technical Institute Certificate: Dental Assisting Concord, NH	2014
Pembroke Academy High School Diploma: General Studies Pembroke, NH	2012

# GREGORY FREDETTE, DMD

311 Route 108  
Somersworth, NH 03878

gfredette@GoodwinCH.com  
603-749-2346

## EDUCATION:

**Tufts University School of Dental Medicine, Boston, MA**  
Doctor of Dental Medicine  
Graduation May 2012

**Worcester Polytechnic Institute, Worcester, MA**  
Bachelor of Science in Biomedical Engineering  
Graduation May 2008

## EXPERIENCE:

**Staff Dentist, Goodwin Community Health, Somersworth, NH**  
Full-time general dentist in a Federally Qualified Health Clinic that accepted all insurances, including NH Medicaid, and offered sliding fee schedule for low income patients. Performed preventative, restorative, and emergency care on a full range of dental patients.  
September 2013-Present

**Associate Dentist, Gentle Dental, Quincy, MA**  
Performed a full range of dental services, including exams and treatment plans, restorative, endodontics, crown and bridge, removable prosthodontics, and extractions.  
June 2012-August 2013

**Dental Extern, Penobscot Community Health Clinic, Bangor, ME**  
Completed a five-week dental externship in a busy dental clinic. Performed a variety of procedures, including endodontics, extractions, pediatric, and restorative dentistry  
October-November 2011

## HONORS:

Thomas B. Hunt Endowed Scholarship, 2011  
Dr. Alfred Osher and Mrs. Suzi Osher Endowed Scholarship, 2011  
National Board Dental Examination Part II, Tufts University Dean's Honor Roll, 2011  
National Board Dental Examination Part I, Tufts University Dean's Honor Roll, 2010

## PROFESSIONAL MEMBERSHIPS:

American Dental Society, 2008-Present  
Massachusetts Dental Society, 2008-Present  
New Hampshire Dental Society, 2013-Present

## PROFESSIONAL MEETINGS:

Yankee Dental Congress, Boston, MA, 2008-Present

## CONTINUING EDUCATION:

"Suture Techniques", Hur, Yong, 2013  
Yankee Dental Congress, Boston, MA  
"To Post or Not To Post?", Gulati, Harish, 2013  
Yankee Dental Congress, Boston, MA  
"21st Century Evidenced Based Endodontics", Bruder, George, 2012  
Waltham, MA  
"Troubleshooting Posterior Composites in 2012:", McManama, John, 2012  
Waltham, MA

# Jodi Carnes, R.D.H.

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## WORK HISTORY

Nov. 2004-Present  
Hygienist; *Avis Goodwin CHC*  
22 South Main St.  
Rochester, NH 03869

Hygienist for School Based program, also part-time hygienist in Dover and Rochester offices. Duties include all aspects of hygiene including treatment planning, ordering, referrals to specialists, training new dental team members on our Logician Computer System; I have also created PowerPoint presentations to medical staff and the agencies Board Members. Presented CQI outcomes at State Dental meeting. Along with helping grant writing and fundraising as needed.

Sept. 1995 – Nov. 2004  
Hygienist; *Dr. Richard Farina*  
74 South Main St.  
Rochester, NH 03869

Dental hygienist and department head in preventative oriented general practice. My staff includes 5 hygienists, 1 hygiene assistant, and 1 hygiene coordinator. I am responsible for weekly department meetings, ordering supplies and training of staff members. Clinical duties include set up and initiation of periodontal programs, use of sealants, fluoride, Panorex and Cephalometric x-rays, and use of Dentrrix Dental Systems chair side in operatory including restoration and periodontal charting, intraoral camera presentations and complete treatment planning.

April 2004-Present  
Dentrrix Certified Trainer.

July 1999-present  
Hygienist; *Dr. David Staples and Dr. Nicholas Kanelos (Garrison Family Dental)*  
801 Central Ave.  
Dover NH, 03820  
Temporary dental hygienist as needed

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## EDUCATION

- Associates in Science with a major in Dental Hygiene  
NH Technical Institute, Concord, NH 1995
- In office Management Training Program 2008

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## PROFESSIONAL AFFILIATION

Member of ADHA

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## REFERENCES

- Furnished upon request

## **Kelly L Mackey**

### **Education:**

2012 - Currently enrolled at Granite State College for final course to complete Bachelors degree in Applied Studies/ Management.

2006 – Local Anesthesia for the Dental Hygienist – New Hampshire Technical Institute (NHTI), Concord, N.H.

2005 – Associate in Science with a major in Dental Hygiene NHTI, Concord, N.H. Graduated with honors

### **Dental Experience:**

- Experience in dental assisting
- Familiar with Dentrax.
- Highly skilled in patient management
- Competent with digital radiography, periodontal treatment, and local anesthesia
- Volunteered Give Kids a Smile Day – Goodwin Community Health – 2011-2013
- Volunteered 2011 Strafford Elementary Health Class

### **Employment:**

#### **Goodwin Community Health (July 2005 – Present)**

Rte 108, Somersworth, NH

Position: Dental Hygienist providing comprehensive dental care to all age groups.

#### **Concord General Mutual Insurance Company (Aug 1998 - Mar 2003)**

4 Bouton St. Concord NH, 1- 800- 852- 3380

Administrative Assistant for Information Systems Department  
Accounting clerk, Customer service representative

### **Professional Membership:**

American Dental Hygienists Association, NHDHA - current

### **Certification:**

Local Anesthesia

CPR certified by American Heart Association (expiration June 2014)

**References:** Available upon request

**CONTRACTOR NAME**

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Janet Laatsch	CEO	\$143,208	0%	\$0
Whitney Goode	Dental Director	\$149,704	3%	\$4,491
Erin Ross	CFO	\$91,125	0%	\$0

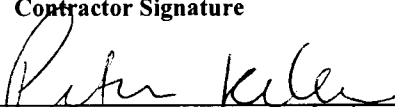
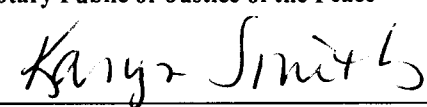
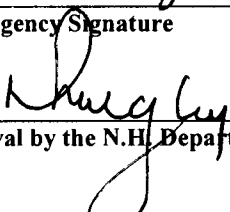
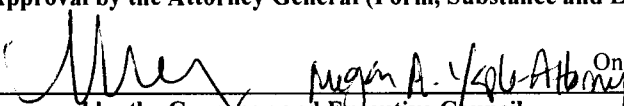
Subject: Senior Oral Health Program

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> Department of Health & Human Services		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301	
<b>1.3 Contractor Name</b> Harbor Homes, Inc.		<b>1.4 Contractor Address</b> 45 High Street Nashua, NH 03060	
<b>1.5 Contractor Phone Number</b> 603-882-3616	<b>1.6 Account Number</b> 05-95-48-481010-8917-102-500731	<b>1.7 Completion Date</b> September 30, 2016	<b>1.8 Price Limitation</b> \$27,886.
<b>1.9 Contracting Officer for State Agency</b> Eric D. Borrin		<b>1.10 State Agency Telephone Number</b> (603) 271-9558	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> Peter Kelleher President & CEO	
<b>1.13 Acknowledgement:</b> State of <u>NH</u> , County of <u>Hillsborough</u> On <u>7/30/15</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.			
<b>1.13.1 Signature of Notary Public or Justice of the Peace</b> [Seal] 			
<b>1.13.2 Name and Title of Notary or Justice of the Peace</b> <u>Karyn Smith Benefits Coord.</u> <b>KARYN J. SMITH, Notary Public</b> My Commission Expires February 25, 2020			
<b>1.14 State Agency Signature</b> 		<b>1.15 Name and Title of State Agency Signatory</b> D Langley Smith	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution)</b> By:  On: <u>8/27/15</u>			
<b>1.18 Approval by the Governor and Executive Council</b> By: _____ On: _____			

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

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


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

**5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.**  
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.  
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.  
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

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

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

Contractor Initials:   
Date: 7/30/15



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

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

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

**9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

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

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

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

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

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

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

**14. INSURANCE.**

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

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

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

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

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

Contractor Initials: PL  
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certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

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


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

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

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

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

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

  
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**Scope of Services**

**1. SCOPE OF SERVICES:**

1.1. The Contractor will:

1.1.1. Provide dental treatments to adults ages 60 and up who need early or immediate intervention and lack the financial resources for dental treatment, and who reside in any city or town in New Hampshire, as follows:

1.1.1.1. Accept client referrals from the Department;

1.1.1.2. Complete an oral health diagnosis for each client;

1.1.1.3. Diagnose oral health issues and problems and develop a dental treatment plan based on the client's identified oral health and/or treatment needs;

1.1.1.4. Schedule and remind clients of their dental appointments;

1.1.1.5. Perform, with the individual's approval, dental services and treatment in accordance with the Exhibit B-1 Dental Fee Schedule up to a \$2,000 limit per individual patient for the contract period;

1.1.1.6. Follow up with clients to ensure their pain or infection was alleviated after receiving dental treatment(s);

1.1.1.7. Provide client level data in a secure, electronic format as specified by the Department for completion of required reports; and

**2. Licensing Requirements:**

The Contractor will ensure that the dentist(s) performing services under this agreement, including any subcontract agreements, must possess a current dental license issued by the State of New Hampshire Board of Dental Examiners.

**3. Cultural Considerations:**

The Contractor will 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.

**4. Criminal Background Check:**

Contractor shall conduct a New Hampshire criminal background check for a potential applicant for employment or volunteer, funded under this contract.



**5. DHHS' Bureau of Elderly and Adult Services' (BEAS) State Registry:**

Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49 Registry, VII, which requires that all employers of programs that are licensed, certified, or funded by the NH Department of Health and Human Services to provide services, submit the name of prospective employees who may have client contact for review against the registry of founded reports of abuse, neglect, and exploitation of incapacitated adults.

**6. Contract Monitoring**

6.1. The Contractor will:

- 6.1.1. Participate in an "on-site review," conducted by the Department, of the records of clients who received dental care and treatment in the program.
- 6.1.2. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.
- 6.1.3. Ensure the Department is provided with access that includes but is not limited to:
  - 6.1.3.1. Data;
  - 6.1.3.2. Financial records;
  - 6.1.3.3. Scheduled access to Contractor work sites/locations/work spaces and associated facilities;
  - 6.1.3.4. Unannounced access to Contractor work sites/locations/work spaces and associated facilities;
  - 6.1.3.5. Scheduled phone access to Contractor principals and staff.

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## Exhibit B

### Method and Conditions Precedent to Payment

1. Price Limitation. This Agreement is one of multiple Agreements that will serve the Senior Oral Health Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
2. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Department shall reimburse the Contractor for actual dental service(s) provided by the contractor to eligible individuals, resulting from referrals made by the Department and in accordance with Exhibit A, Scope of Services.
3. Reimbursement shall be based on the Senior Oral Health Program, Dental Fee Schedule, identified in Exhibit B-1.
4. Reimbursement Limits per Patient. Reimbursement is limited to \$2,000 per patient for during the Agreement period, depending on the availability of funding. Any additional treatment that exceeds the limit per patient shall be at the sole expense of the participating dental practice or clinic.
5. Contract dentists shall complete and submit Dental Claim Forms provided by the Bureau of Elderly and Adult Services for each client, due within 15 days from the date of treatment.  
Dental Claim forms shall be sent to:  
Bureau of Elderly and Adult Services  
Administrator, Community Programs and Long-Term Care  
129 Pleasant Street  
Concord, NH 03301
6. Notwithstanding anything to the contrary herein, the Contractor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State Law, rule or regulation applicable to the services provided, or if the said services have not been satisfactory completed in accordance with the terms and condition of this Agreement.
7. The funding source for this Agreement for Dental Services is 100% federal funds from the Administration for Community Living, Title III, Part D, Disease Prevention and Health Promotion Services, CFDA 93.043. The Contractor agrees to provide the services in Exhibit A, Scope of Services in compliance with funding requirements.
8. The contractor shall have or secure a vendor number with the State of New Hampshire to receive payment from the DHHS.
9. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT). Exceptions to using EFT for payment shall be made upon prior approval of the BEAS Financial Manager or designee.



Exhibit B-1

**NH Bureau of Elderly and Adult Services, Older Adult Oral Health Program (ages 60+)**  
**Dental Fee Schedule as of February 2015**

Code	Procedure	Fee
D0120	Periodic oral evaluation	41.00
D0140	Limited oral evaluation	60.00
D0210	Intraoral-complete series	96.00
D0220	Intraoral-Periapical 1st film	15.00
D0230	Intraoral-Periapical each additional	10.00
D0270	Bitewings - Xray	17.00
D0272	Bitewings - two films	25.00
D0274	Bitewings - four films	45.00
D0330	Panoramic film	83.00
D2140	Amalgam - 1 surface	150.00
D2150	Amalgam - 2 surface	155.00
D2160	Amalgam - 3 surface	180.00
D2161	Amalgam - 4/4+ surface	200.00
D2330	Resin-1 surface anterior	131.00
D2331	Resin-2 surface anterior	143.00
D2332	Resin-3 surface anterior	147.00
D2335	Resin-4/4+ surface anterior	165.00
D2391	Resin-1 surface posterior	150.00
D2392	Resin-2 surface posterior	155.00
D2393	Resin-3 surface posterior	180.00
D2394	Resin-4/4+ surface posterior	200.00
D4341	Scaling and root planing (per quadrant)	100.00
D4355	Full mouth debridement	90.00
D5110	Complete denture-maxillary	800.00
D5120	Complete denture-mandibular	800.00
D5130	Immediate denture-maxillary	875.00
D5140	Immediate denture-mandibular	875.00
D5211	Maxillary partial-resin base	600.00
D5212	Maxillary partial-resin base	600.00
D5410	Adjust complete denture, maxillary	50.00
D5411	Adjust complete denture, mandibular	50.00
D5421	Adjust partial denture, maxillary	50.00
D5422	Adjust partial denture, mandibular	50.00
D5520	Replace denture teeth	127.00
D5750	Reline complete maxillary denture	244.00
D5751	Reline complete mandibular denture	244.00
D7140	Extraction-erupted/exposed	150.00
D7210	Extraction-surgical-imp bony	225.00
D7240	Removal of Impacted Tooth Tissue	225.00
D7310	Alveoloplasty - per quadrant	275.00
D7472	Removal of torus palatinus Mandibular 2 quadrants	400.00
D5760	Reline maxillary partial denture	99.00
D5761	Reline mandibular partial denture	99.00

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**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;

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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

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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.

*pk*

7/30/15



**REVISIONS TO GENERAL PROVISIONS**

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
  4. **CONDITIONAL NATURE OF AGREEMENT.**  
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;
  - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
  - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
  - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
  - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
  - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. Subparagraph 14.1.1 of the General Provisions of this contract, is deleted and the following subparagraph is added:
  - 14.1.1 Comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence with additional general liability umbrella coverage of not less than \$5,000,000.
4. The Department reserves the right to renew the Contract for up to two additional years, subject to the continued availability of funds, satisfactory performance of services and approval by the Governor and Executive Council.

*lk*  
*7/30/15*



**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

*PK*  
Date 7/30/15



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.

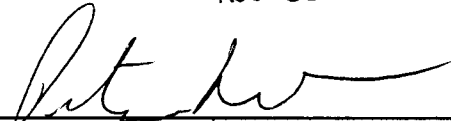
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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: Harbor Homes Inc.

7/30/15  
Date

  
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

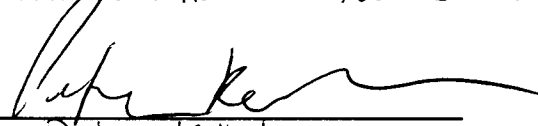
The undersigned certifies, to the best of his or her knowledge and belief, that:

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: Harbor Homes Inc.

7/30/15  
Date

  
Name: Peter Kelleher  
Title: President & CEO



**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**

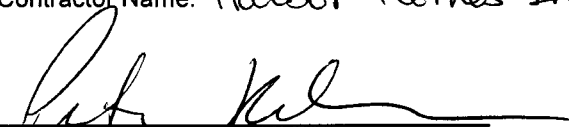
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
  - 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: Harbor Homes Inc.

7/30/15  
Date

  
Name: Peter Kelleher  
Title: President & CEO

Contractor Initials RK  
Date 7/30/15



**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

Date 7/30/15



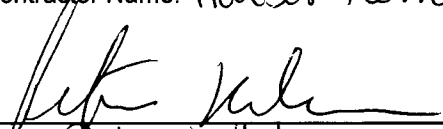
In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for 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.

7/30/15  
Date

Contractor Name: Harbor Homes Inc .

  
Name: Peter Kelleher  
Title: President & CEO



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

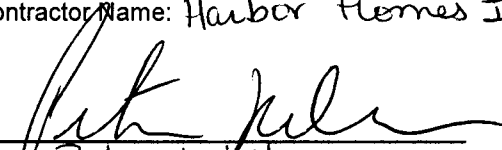
Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, 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: Harbor Homes Inc.

7/30/15  
Date

  
Name: Peter Kelleher  
Title: President & CEO

Contractor Initials PK  
Date 7/30/15



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.

*[Handwritten Signature]*  
1/30/15



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

*PH*  
7/30/15



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

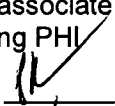
  
Date 7/30/15



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

*[Handwritten Signature]*  
*7/30/15*





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.

*[Signature]*  
Date 7/30/15



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 + Human Services  
The State

[Signature]  
Signature of Authorized Representative

Diane Langley  
Name of Authorized Representative

Director  
Title of Authorized Representative

8/11/15  
Date

Harbor Homes Inc  
Name of the Contractor

[Signature]  
Signature of Authorized Representative

Peter Kelleher  
Name of Authorized Representative

President & CEO  
Title of Authorized Representative

7/30/15  
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.

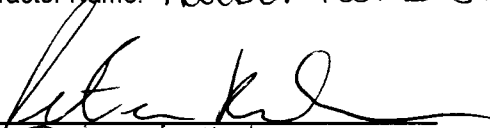
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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: Harbor Home Inc.

7/30/15  
Date

  
Name: Peter Kelleher  
Title: President & CEO



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: 02-0351932
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:

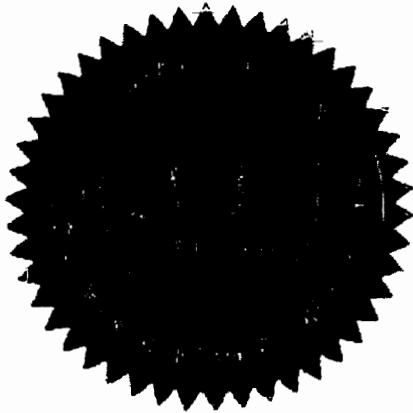
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Name: _____	Amount: _____
Name: _____	Amount: _____

JK  
7/30/15

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 formed February 15, 1980. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 9<sup>th</sup> day of April, A.D. 2015

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

William M. Gardner  
Secretary of State

---

**CERTIFICATE OF VOTE**

1. David Aponovich, 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 7/30/15:  
(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 30<sup>th</sup> day of July, 2015  
(Date Contract Signed)

4. Peter Kelleher is the duly elected President & CEO  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

David J. Aponovich Treas.  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 30<sup>th</sup> day of July, 2015.

By David Aponovich  
(Name of Elected Officer of the Agency)

Karyn Smith  
(Notary Public/Justice of the Peace)

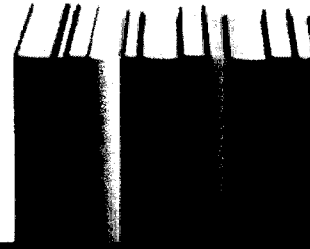
(NOTARY SEAL)

Commission Expires: KARYN J. SMITH, Notary Public  
My Commission Expires February 25, 2020



# Web-Library

*An Internal Employee Resource Center*



Home

Harbor Homes, Inc.

## Mission Statement

*To create and provide quality residential and supportive services for persons (and their families) challenged by mental illness and homelessness.*

## Overview

- **A private, nonprofit agency, Harbor Homes is a beacon for people challenged by mental illness and/or homelessness or chronic homelessness.**
- **Built upon a core belief that individuality, dignity, self-respect and a safe place to live are key to a person's ability to contribute to society. [more](#)**

## Harbor Homes, Inc

*5 Year Goals and Objectives*

[Back to Mission Statement and Overviews](#)



**HARBOR HOMES, INC.**  
**Financial Statements**  
**For the Year Ended June 30, 2014**  
**(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., which comprise the statement of financial position as of June 30, 2014, 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.

### **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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **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, 2014, 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 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 9, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information 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 January 15, 2015 on our consideration of the 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*

January 15, 2015

HARBOR HOMES, INC.

Statement of Financial Position

June 30, 2014

(With Comparative Totals as of June 30, 2013)

	HUD I Program	HUD VI Program	Program Operations	2014 Total	2013 Total
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 694	\$ 877	\$ 168,823	\$ 170,394	\$ 440,522
Accounts receivable, net	45	4,966	1,432,974	1,437,985	695,273
Promises to give	-	-	50,000	50,000	50,000
Due from HUD Programs	-	-	3,300	3,300	6,177
Due from related organizations	-	-	24,522	24,522	79,954
Prepaid expenses	-	-	28,575	28,575	27,203
Total Current Assets	<u>739</u>	<u>5,843</u>	<u>1,708,194</u>	<u>1,714,776</u>	<u>1,299,129</u>
Property and Equipment, net of accumulated depreciation	81,352	292,027	19,625,628	19,999,007	16,337,606
<b>Noncurrent Assets:</b>					
Restricted deposits and funded reserves	48,169	30,633	241,489	320,291	199,706
Due from HUD Programs	-	-	68,484	68,484	33,292
Due from related organizations	-	-	352,502	352,502	227,592
Promises to give	-	-	-	-	50,000
Beneficial interest	-	-	148,204	148,204	128,237
Other assets	-	-	40,936	40,936	29,446
Total Noncurrent Assets	<u>48,169</u>	<u>30,633</u>	<u>851,615</u>	<u>930,417</u>	<u>668,273</u>
Total Assets	<u>\$ 130,260</u>	<u>\$ 328,503</u>	<u>\$ 22,185,437</u>	<u>\$ 22,644,200</u>	<u>\$ 18,305,008</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities:</b>					
Accounts payable	\$ 1,034	\$ 1,391	\$ 597,624	\$ 600,049	\$ 244,718
Accrued expenses	1,678	1,348	701,650	704,676	497,536
Due to program operations	3,300	-	-	3,300	6,177
Due to related organizations	-	-	160,868	160,868	76,521
Other liabilities	-	-	-	-	4,248
Line of credit	-	-	400,868	400,868	807,868
Deferred revenue	-	-	2,333	2,333	63,657
Current portion of mortgages payable	14,070	4,521	180,210	198,801	227,427
Total Current Liabilities	<u>20,082</u>	<u>7,260</u>	<u>2,043,553</u>	<u>2,070,895</u>	<u>1,928,152</u>
<b>Long Term Liabilities:</b>					
Due to program operations	-	68,484	-	68,484	33,292
Due to related organizations	-	-	-	-	75,000
Security deposits	2,329	565	38,635	41,529	37,422
Other liabilities	-	-	54,719	54,719	29,446
Mortgages payable, tax credits	-	-	142,410	142,410	163,453
Mortgages payable, net of current portion	149,527	230,092	7,004,209	7,383,828	7,313,543
Mortgages payable, deferred	-	-	5,332,834	5,332,834	5,242,834
Total Long Term Liabilities	<u>151,856</u>	<u>299,141</u>	<u>12,572,807</u>	<u>13,023,804</u>	<u>12,894,990</u>
Total Liabilities	171,938	306,401	14,616,360	15,094,699	14,823,142
<b>Unrestricted Net Assets (Deficit):</b>					
HUD programs	(41,678)	22,102	-	(19,576)	(3,864)
Program operations	-	-	7,519,535	7,519,535	3,262,622
<b>Temporarily Restricted Net Assets</b>					
Total Net Assets (Deficit)	<u>(41,678)</u>	<u>22,102</u>	<u>7,569,077</u>	<u>7,549,501</u>	<u>3,481,866</u>
Total Liabilities and Net Assets	<u>\$ 130,260</u>	<u>\$ 328,503</u>	<u>\$ 22,185,437</u>	<u>\$ 22,644,200</u>	<u>\$ 18,305,008</u>

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

HARBOR HOMES, INC.

Statement of Activities

For the Year Ended June 30, 2014

(With Comparative Totals for the Year Ended June 30, 2013)

	Unrestricted Net Assets			Temporarily Restricted Net Assets	2014 Total	2013 Total
	HUD I Program	HUD VI Program	Program Operations			
<b>Public Support and Revenue:</b>						
<b>Public Support:</b>						
Federal grants	\$ -	\$ -	\$ 6,117,734	\$ -	\$ 6,117,734	\$ 1,810,283
State, local, and other grants	-	-	1,718,713	-	1,718,713	774,196
Donations	-	-	225,211	47,851	273,062	512,423
Net assets released from restriction	-	-	221,417	(221,417)	-	-
<b>Total Public Support</b>	<b>-</b>	<b>-</b>	<b>8,283,075</b>	<b>(173,566)</b>	<b>8,109,509</b>	<b>3,096,902</b>
<b>Revenue:</b>						
Department of Housing and Urban Development	77,507	41,324	2,662,795	-	2,781,626	2,564,634
Veterans Administrative grants	-	-	2,226,141	-	2,226,141	1,852,023
Medicaid - Federal and State, net	-	-	917,578	-	917,578	765,847
Rent and service charges, net	30,973	19,843	1,024,092	-	1,074,908	507,620
Contracted services	-	-	1,254,522	-	1,254,522	357,845
Outside rent	-	-	95,816	-	95,816	165,216
Miscellaneous	-	-	158,192	-	158,192	97,236
Fundraising events	-	-	52,519	-	52,519	-
Employment projects	-	-	53,900	-	53,900	63,792
Food and common area fees	-	-	67,165	-	67,165	61,643
Management fees	-	-	32,796	-	32,796	34,425
Medicare revenue, net	-	-	75,057	-	75,057	25,818
Unrealized gain/(loss)	-	-	20,186	-	20,186	12,269
Interest	2	11	151	-	164	337
Gain (loss) on disposal of fixed assets	-	-	601,751	-	601,751	(1,580)
Sliding fee and free care	-	-	33,416	-	33,416	(23,456)
Bad debts	-	(693)	(335,697)	-	(336,390)	(34,064)
<b>Total Revenue</b>	<b>108,482</b>	<b>60,485</b>	<b>8,940,380</b>	<b>-</b>	<b>9,109,347</b>	<b>6,449,605</b>
<b>Total Public Support and Revenue</b>	<b>108,482</b>	<b>60,485</b>	<b>17,223,455</b>	<b>(173,566)</b>	<b>17,218,856</b>	<b>9,546,507</b>
<b>Expenses:</b>						
Program	82,649	69,062	10,700,403	-	10,852,114	7,952,882
Administration	20,064	12,904	1,784,371	-	1,817,339	1,454,175
Fundraising	-	-	481,768	-	481,768	193,625
<b>Total Expenses</b>	<b>102,713</b>	<b>81,966</b>	<b>12,966,542</b>	<b>-</b>	<b>13,151,221</b>	<b>9,600,682</b>
Change in net assets	5,769	(21,481)	4,256,913	(173,566)	4,067,635	(54,175)
<b>Net Assets (Deficit), Beginning of Year</b>	<b>(47,447)</b>	<b>43,583</b>	<b>3,262,622</b>	<b>223,108</b>	<b>3,481,866</b>	<b>3,536,041</b>
<b>Net Assets (Deficit), End of Year</b>	<b>\$ (41,678)</b>	<b>\$ 22,102</b>	<b>\$ 7,519,535</b>	<b>\$ 49,542</b>	<b>\$ 7,549,501</b>	<b>\$ 3,481,866</b>

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

HARBOR HOMES, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2014

(With Comparative Totals for the Year Ended June 30, 2013)

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>2014 Total</u>	<u>2013 Total</u>
Expenses:					
Accounting fees	\$ -	\$ 49,400	\$ -	\$ 49,400	\$ 45,200
Advertising and printing	8,726	20,374	1,323	30,423	29,210
Client services and assistance	34,012	70	-	34,082	28,395
Client transportation	17,175	725	-	17,900	10,212
Conference and conventions	26,260	10,627	175	37,062	37,314
Contract labor	233,854	27,978	-	261,832	171,812
Dues and subscriptions	3,500	20,131	-	23,631	7,347
Employee benefits	571,413	215,500	51,735	838,648	695,060
Enabling services	-	-	-	-	139
Equipment rental	195	7,644	-	7,839	9,040
Food	63,300	592	-	63,892	50,475
Fundraising expenses	-	-	19,460	19,460	4,843
Garbage and trash removal	17,556	1,512	119	19,187	19,795
Grants	289,792	5,624	-	295,416	225,293
Information technology	109,688	24,645	39	134,372	151,903
Interest expense - mortgage	66,263	330,784	1,405	398,452	328,661
Interest expense - other	233	21,260	-	21,493	37,772
Journals and publications	1,390	365	-	1,755	1,153
Legal fees	26,350	21,517	75	47,942	67,155
Management fees	-	8,964	-	8,964	11,169
Medical and clothing	-	6,784	-	6,784	68,605
Office supplies	37,185	14,474	241	51,900	42,667
Operating and maintenance	209,052	13,015	627	222,694	134,706
Operational supplies	99,808	-	223	100,031	62,890
Other expenditures	5,618	42,434	94	48,146	29,093
Payroll taxes	392,602	62,054	28,052	482,708	353,615
Postage/shipping	2,918	7,095	564	10,577	8,405
Professional fees	194,586	32,445	10,581	237,612	120,929
Property and liability insurance	71,380	21,547	1,094	94,021	117,709
Property taxes	29,448	7,998	-	37,446	14,198
Rent expense	2,933,364	-	-	2,933,364	1,991,130
Salary and wages	4,247,198	713,672	359,775	5,320,645	3,665,782
Security deposits	117,348	-	-	117,348	38,063
Snow removal	39,225	2,423	184	41,832	40,629
Staff development	3,548	2,673	-	6,221	9,533
Staff expense	5,035	11,859	172	17,066	25,573
Staff transportation	35,819	24,748	381	60,948	67,840
Telephone/communications	66,413	25,652	1,566	93,631	67,329
Utilities	276,663	20,003	1,544	298,210	244,188
Vehicle expenses	21,927	544	-	22,471	23,696
Total Expenses Before Depreciation	<u>10,258,844</u>	<u>1,777,132</u>	<u>479,429</u>	<u>12,515,405</u>	<u>9,058,528</u>
Depreciation	<u>593,270</u>	<u>40,207</u>	<u>2,339</u>	<u>635,816</u>	<u>542,154</u>
Total Functional Expenses	<u>\$ 10,852,114</u>	<u>\$ 1,817,339</u>	<u>\$ 481,768</u>	<u>\$ 13,151,221</u>	<u>\$ 9,600,682</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, 2014

(With Comparative Totals for the Year Ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 4,067,635	\$ (54,175)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	635,816	542,154
(Gain) loss on disposal of fixed assets	(601,751)	1,580
(Gain) on beneficial interest	(19,967)	(12,062)
(Increase) Decrease In:		
Accounts receivable	(742,710)	51,068
Promises to give	50,000	(75,000)
Prepaid expenses	(1,372)	(22,364)
Other assets	(11,490)	(29,446)
Increase (Decrease) In:		
Accounts payable	355,331	(45,594)
Accrued expenses	207,140	119,341
Deferred revenue	(61,324)	63,657
Other liabilities	21,025	33,694
Net Cash Provided by Operating Activities	<u>3,898,333</u>	<u>572,853</u>
<b>Cash Flows From Investing Activities:</b>		
Restricted deposits and funded reserves	(120,585)	76,421
Security deposits	4,107	(3,143)
Proceeds from sale of fixed assets	866,502	-
Purchase of fixed assets	<u>(4,043,454)</u>	<u>(817,241)</u>
Net Cash Used by Investing Activities	<u>(3,293,430)</u>	<u>(743,963)</u>
<b>Cash Flows From Financing Activities:</b>		
Payments on line of credit	(407,000)	(2,131)
Payments on long term borrowings	(407,900)	(302,284)
Net change in due to/from related organizations	(60,131)	126,467
Net Cash Used by Financing Activities	<u>(875,031)</u>	<u>(177,948)</u>
Net Decrease	(270,128)	(349,058)
Cash and Cash Equivalents, Beginning of Year	<u>440,522</u>	<u>789,580</u>
Cash and Cash Equivalents, End of Year	<u>\$ 170,394</u>	<u>\$ 440,522</u>
<b>Supplemental disclosures of cash flow information:</b>		
Interest paid	<u>\$ 429,621</u>	<u>\$ 377,285</u>
Non-cash financing activities	<u>\$ 518,515</u>	<u>\$ 2,584,700</u>

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:**

The following is a summary of significant accounting policies of the Organization used in preparing and presenting the accompanying financial statements.

Accounting for Contributions and Financial Statement Presentation

The Organization follows *Accounting for Contributions Received and Contributions Made* and *Financial Statements of Not-for-Profit Organizations* as required by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). Under these guidelines, the Organization is required to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services, meeting certain criteria at fair values. These reporting standards establish standards for financial statements of not-for-profit organizations and require a Statement of Financial Position, a Statement of Activities, a Statement of Functional Expenses, and a Statement of Cash Flows.

Basis of Accounting

Revenues and expenses are reported on the accrual basis of accounting. Under this basis, revenues, other than contributions, and expenses are reported when incurred, without regard to the date of receipt or payment of cash. Contributions are reported in accordance with FASB ASC *Accounting for Contributions Received and Contributions Made*.

### Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions 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.

### Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

### Allowance for Doubtful Accounts

The adequacy of the allowance for doubtful accounts for receivables is reviewed on an ongoing basis by the Organization's management and adjusted as required through the provision for doubtful accounts (bad debt expense). In determining the amount required in the allowance account for the year ended June 30, 2014, management has taken into account a variety of factors.

### Property and Equipment

Property and equipment is recorded at cost or, if donated, at estimated fair market value at the date of donation. Major additions and improvements are capitalized, 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. Assets not in service are not depreciated.

### Functional Expenses

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

### Donated Services

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in its programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under generally accepted accounting principles have not been satisfied.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

#### Use of Estimates

The preparation of financial statements in conformity with 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. Accordingly, actual amounts could differ from those estimates.

#### Tax Status

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 follows FASB ASC 740-10, *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. FASB ASC 740-10 did not have a material impact on the Organization's financial statements.

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 they were filed.

The Organization recognizes interest related to unrecognized tax benefits in interest expense and penalties that are included within reported expenses. During the year ended June 30, 2014, the Organization had no interest or penalties accrued related to unrecognized tax benefits.

#### 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. Concentration of Credit Risk - Cash and Cash Equivalents:**

The carrying amount of the Organization's deposits with financial institutions was \$170,394 at June 30, 2014. The difference between the carrying amount and the bank balance represents reconciling items such as deposits in transit

and outstanding checks, which have not been processed by the bank at June 30, 2014. The bank balance is categorized as follows:

Insured by FDIC	\$ 419,349
Insured by SIPC	63,986
Uninsured and uncollateralized	<u>494,999</u>
Total Bank Balance	\$ <u>978,334</u>

**4. Accounts Receivable, Net:**

Accounts receivable at June 30, 2014 consists of the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
HUD I Program:			
Residents	\$ <u>45</u>	\$ <u>-</u>	\$ <u>45</u>
Total	\$ <u>45</u>	\$ <u>-</u>	\$ <u>45</u>
HUD VI Program:			
Residents	\$ <u>9,276</u>	\$ <u>(4,310)</u>	\$ <u>4,966</u>
Total	\$ <u>9,276</u>	\$ <u>(4,310)</u>	\$ <u>4,966</u>
Program Operations:			
Residents	\$ 57,196	\$ (34,761)	\$ 22,435
Security deposits	5,910	-	5,910
Medicaid	289,010	(80,635)	208,375
Grants	912,543	-	912,543
Insurance	212,771	(137,009)	75,762
Patients	327,509	(281,115)	46,394
Other	<u>161,555</u>	<u>-</u>	<u>161,555</u>
Total	\$ <u>1,966,494</u>	\$ <u>(533,520)</u>	\$ <u>1,432,974</u>

**5. Due To/From Related Organizations:**

Due to/from related organizations represents amounts due to and from Harbor Homes, Inc. from related entities whereby common control is shared with the same Board of Directors. 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, 2014 are as follows:

	<u>Due to</u>	<u>Due From</u>
Current:		
Healthy at Home	\$ 116,304	\$ -
Southern NH HIV/AIDS Task Force	44,564	-
HH Ownership, Inc.	-	13,032
Harbor Homes III, Inc.	-	11,490
Subtotal current	<u>160,868</u>	<u>24,522</u>
Noncurrent:		
Greater Nashua Council on Alcoholism	-	55,249
Milford Regional Counseling Services, Inc.	-	41,415
Harbor Homes II, Inc.	-	126,044
Welcoming Light, Inc.	-	129,794
Subtotal noncurrent	<u>-</u>	<u>352,502</u>
Total	<u>\$ 160,868</u>	<u>\$ 377,024</u>

Although management believes the above receivables to be collectible, there is significant risk that the noncurrent portion may not be.

**6. Prepaid Expenses:**

Prepaid expenses consist of the following items:

	<u>HUD I Program</u>	<u>HUD VI Program</u>	<u>Program Operations</u>
Prepaid insurance	\$ -	\$ -	\$ 9,470
Prepaid HRA	-	-	9,079
Prepaid other	-	-	10,026
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,575</u>

**7. Property, Equipment and Depreciation:**

A summary of the major components of property and equipment is presented below:

	<u>HUD I Program</u>	<u>HUD VI Program</u>	<u>Program Operations</u>
Construction in progress	\$ -	\$ -	\$ 4,442,919
Land	49,484	54,750	1,642,956
Land improvements	12,290	-	-
Buildings	253,233	257,403	15,862,625
Building improvements	89,762	1,500	995,166
Software	-	-	320,366
Vehicles	-	-	211,878
Furniture and fixtures	-	-	162,183
Equipment	18,695	-	163,297
Medical equipment	-	-	65,761
Subtotal	<u>423,464</u>	<u>313,653</u>	<u>23,867,151</u>
Less: accumulated depreciation	<u>(342,112)</u>	<u>(21,626)</u>	<u>(4,241,523)</u>
Total	<u>\$ 81,352</u>	<u>\$ 292,027</u>	<u>\$ 19,625,628</u>

Depreciation expense for the year ended June 30, 2014 totaled \$635,816.

The estimated useful lives of the depreciable assets are 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 and medical equipment	5 - 7

#### 8. **Restricted Deposits and Funded Reserves:**

Restricted deposits and funded reserves consist of escrow accounts and reserves which are held for various purposes. The following is a summary of the restricted accounts:

	<u>HUD I Program</u>	<u>HUD VI Program</u>	<u>Program Operations</u>
Security deposits	\$ 2,329	\$ 565	\$ 40,880
Reserve for replacements	43,069	28,455	200,609
Residual receipt deposits	<u>2,771</u>	<u>1,613</u>	<u>-</u>
Total	<u>\$ 48,169</u>	<u>\$ 30,633</u>	<u>\$ 241,489</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.

**9. 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, 2014, the value of the fund was \$148,204.

**10. Accrued Expenses:**

Accrued and other liabilities include the following:

	<u>HUD I Program</u>	<u>HUD VI Program</u>	<u>Program Operations</u>
Mortgage interest	\$ 1,262	\$ 1,348	\$ -
Payroll and related taxes	-	-	324,646
Compensated absences - vacation time	-	-	319,591
Compensated absences - personal time	-	-	30,934
Other	416	-	26,479
Total	<u>\$ 1,678</u>	<u>\$ 1,348</u>	<u>\$ 701,650</u>

**11. Line of Credit:**

At June 30, 2014, the Organization had a \$500,000 line of credit available from TD Bank, N. A., 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 1.00%, adjusted daily. As of June 30, 2014 the credit line had an outstanding balance of \$400,868, at an interest rate of 4.25%.

**12. Security Deposits:**

Security deposits are comprised of tenant security deposits and other miscellaneous deposits. Tenant security deposits are held in a separate bank account in the name of the Organization. These deposits will be returned to residents when they leave the facility. Interest will be returned to residents who have had over one year of continuous tenancy.



**13. 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 organizations, maturing in 2020, secured by real property located at 59 Factory Street in Nashua, NH. This amount is amortized over 10 years at zero percent interest. The amount due at June 30, 2014 is \$142,410.

**14. Mortgages Payable:**

Mortgages payable as of June 30, 2014 consisted of the following:

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. \$ 1,205,963

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. 1,203,460

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. 1,110,556

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$6,391, including principal and interest at 6.75%, maturing in 2031, secured by real property located at 45 High Street in Nashua, NH. 738,239

(continued)

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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.	691,879
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.	657,895
A mortgage payable to TD Bank, due in monthly installments of \$5,387, including principal and interest at 7.27%, maturing in 2025, secured by real property located on Maple Street in Nashua, NH.	491,188
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.	484,279
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.	309,995
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.	234,613
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.	163,597
	(continued)

(continued)

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.	136,232
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 Have Drive, Unit 202 in Nashua, NH.	102,597
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$1,283, including principal and interest at 3.73%, maturing in 2035, secured by real property located at 59 Factory Street in Nashua, NH.	52,136
Total	<u>7,582,629</u>
Less amount due within one year	<u>(198,801)</u>
Mortgages payable, net of current portion	<u>\$ 7,383,828</u>

The following is a summary of future payments on the previously mentioned long-term debt.

<u>Year</u>	<u>Amount</u>
2015	\$ 198,801
2016	213,090
2017	225,721
2018	222,296
2019	235,277
Thereafter	<u>6,487,444</u>
Total	<u>\$ 7,582,629</u>

**15. Mortgages Payable, Deferred:**

The Organization has deferred mortgages outstanding at June 30, 2014 totaling \$5,332,834. 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, 2014:

	<u>Program Operations</u>
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
Charles Street property	98,087
High Street fire system	<u>65,000</u>
Total City of Nashua	1,234,087
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	50,000
Somerville Street property	<u>1,000,000</u>
Total NHHFA	<u>2,600,000</u>
Total Mortgages Payable, Deferred	<u>\$ 5,332,834</u>

**16. Temporarily Restricted Net Assets:**

Temporarily restricted net assets are available for the following purposes at June 30, 2014:

<u>Purpose</u>	<u>Amount</u>
Art supplies	\$ 350
Dalianis bricks	735
HVRP	6,479
Operation brightside	2,000
SCOAP	3,139
Thanksgiving	693
Veterans computers	5,630
2014 Christmas gifts	300
2014 mainstream	30,088
2014 PEC	88
2014 standdown	40
Total	<u>\$ 49,542</u>

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the passage of time.

**17. 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.

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 mortgage in the amount of \$1,850,170 and another 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, and Healthy at Home, Inc., related parties. The rental income under these agreements totaled \$24,816 and \$60,000, respectively, for fiscal year 2014.

Harbor Homes, Inc. receives management fees from the related HUD projects.

The Organization is considered a commonly controlled organization with several related entities by way of its common board of directors. However,

management feels that the principal prerequisites for preparing combined financial statements are not met, and therefore more meaningful 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

**18. Employee Benefit Plan:**

After one year of continuous service with the Organization, employees may contribute a portion of their wages to a Section 403(b) retirement 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, 2014 were \$117,680.

In addition to the retirement plan noted above, the Organization also has a Section 457 deferred compensation plan with a value of \$40,936 at June 30, 2014.

**19. Concentration of Risk:**

The Organization receives 36%, 16%, 14% and 5% of its revenue from the Department of Health and Human Services, the Department of Housing and Urban Development, the Department of Veterans Affairs, and Medicaid, respectively.

**20. Fair Value Measurements:**

FASB ASC, *Fair Value Measurements*, provides guidance for using fair value to measure assets and liabilities. *Fair Value Measurements* applies whenever other standards require or permit assets or liabilities to be measured at their fair market value. The standard does not expand the use of fair value in any new circumstances. Under *Fair Value Measurements*, fair value refers to the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. *Fair Value Measurements* clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions.

Under *Fair Value Measurements*, the Organization categorizes its fair value estimates based on a hierarchical framework associated with three levels of price transparency utilized in measuring financial instruments at fair value. Classification is based on the lowest level of input that is significant to the fair value of the instrument. The three levels are as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of financial instruments included in Level 1 are highly liquid instruments with quoted prices;
- Level 2 - Inputs from active markets, other than quoted prices for identical instruments, are used to model fair value. Significant inputs are directly observable from active markets for substantially the full term of the asset or liability being valued; and
- Level 3 - Pricing inputs significant to the valuation are unobservable. Inputs are developed based on the best information available; however, significant judgment is required by management in developing the inputs.

The estimated fair value of the Organization's financial instruments is presented in the following table:

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Level One</u>	<u>Level Two</u>	<u>Level Three</u>
Due from related organizations	\$ 377,024	\$ 377,024	\$ -	\$ -	\$ 377,024
Beneficial interest	<u>148,204</u>	<u>148,204</u>	<u>-</u>	<u>-</u>	<u>148,204</u>
Total assets	<u>\$ 525,228</u>	<u>\$ 525,228</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 525,228</u>

(continued)

(continued)

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Level One</u>	<u>Level Two</u>	<u>Level Three</u>
Due to related organizations	\$ 160,868	\$ 160,868	\$ -	\$ -	\$ 160,868
Line of credit	400,868	400,868	-	400,868	-
Mortgages payable, tax credits	142,410	142,410	-	-	142,410
Mortgages payable	7,582,629	7,582,629	-	7,582,629	-
Mortgages payable, deferred	<u>5,332,834</u>	<u>5,332,834</u>	<u>-</u>	<u>5,332,834</u>	<u>-</u>
Total liabilities	<u>\$ 13,619,609</u>	<u>\$ 13,619,609</u>	<u>\$ -</u>	<u>\$ 13,316,331</u>	<u>\$ 303,278</u>

Fair Value Measurements  
Using Significant Unobservable Inputs  
Level 3

	<u>Due from related organizations</u>	<u>Beneficial Interest</u>	<u>Due to related organizations</u>	<u>Mortgages Payable, Tax Credits</u>
Beginning balance June 30, 2013	\$ 307,546	\$ 128,237	\$ 151,521	\$ 163,453
Advances	468,396	19,967	279,276	-
Reductions	<u>(398,918)</u>	<u>-</u>	<u>(269,929)</u>	<u>(21,043)</u>
Ending balance June 30, 2014	<u>\$ 377,024</u>	<u>\$ 148,204</u>	<u>\$ 160,868</u>	<u>\$ 142,410</u>

Due to the short term nature of the financial instruments, the book value approximates fair value.

**21. Healthcare Clinic:**

Patient service revenue is recorded as services provided. The Healthcare Clinic (The Clinic) establishes fees for services to patients based on a sliding fee scale. Contractual allowances are recorded based on patients served in the period the related services are rendered.

The Clinic has a policy of providing free care to patients who are unable to pay. Such patients are identified based on financial information obtained from the patients prior to the services being rendered. The approximate amount of free care services provided was \$552,000 for the year ended June 30, 2014. The Clinic billed a third-party payer approximately \$424,000 during the fiscal year.



Patient accounts receivable are recorded less allowances for doubtful accounts and net of contractual allowances. The Clinic provides for losses on patient accounts receivable using the allowance method. Receivables are considered impaired if full payments are not expected in accordance with contractual terms. The net balance as of June 30, 2014 was approximately \$120,000.

**22. Subsequent Events:**

Subsequent to year end, the Organization was awarded a \$9.9m grant, over two and a half years, through the Housing Prevention Rapid Rehousing Program funded by the Bureau of Behavioral Health. In addition, the Organization was awarded a \$1.2m grant, over three years, from the Substance Abuse and Mental Health Services Administration.

In September and October of 2014, the Organization sold two condominiums that were no longer required for the Permanent Housing Program.

On August 20, 2014, the Organization provided an unlimited and unconditional guaranty on a revolving line of credit agreement for a related party (see note 11). Under this agreement \$250,000 is available to the related organization to provide for working capital requirements through September 30, 2016.

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from July 1, 2014 through January 15, 2015, the date the financial statements were available to be issued, have been evaluated by management for disclosure.

**23. Change in Net Assets:**

During fiscal year 2014, the Organization received approximately \$4,046,000 in grant funding for the rehabilitation of the property housing the Harbor Care Health and Wellness Center. This on-time grant contributed to the change in net assets (approximately \$4,067,000) for fiscal year 2014.

HARBOR HOMES, INC.  
Schedule of Activities by Cost Center  
For the Year Ended June 30, 2014

	Non BBH		Healthcare Clinic	Community Residence Chestnut St.	Community Residence Winter St.	Emergency Shelter	Permanent Housing 2	HPRP (Bridge) State	Administration	Fundraising	Total
	HCH - CIP	Other									
<b>Public Support and Revenue:</b>											
Public Support:											
Federal grants	\$ 681,187	\$ 4,045,763	\$ 1,208,327	\$ -	\$ 1,500	\$ 159,914	\$ -	\$ -	\$ 21,043	\$ -	\$ 6,117,734
State, local, and other grants	112,837	50,000	261,187	-	-	66,534	-	1,228,155	-	-	1,718,713
Donations	15,115	-	67,922	-	-	10,900	-	-	178,193	932	273,062
<b>Total Public Support</b>	<b>809,139</b>	<b>4,095,763</b>	<b>1,537,436</b>	<b>-</b>	<b>1,500</b>	<b>237,348</b>	<b>-</b>	<b>1,228,155</b>	<b>199,236</b>	<b>932</b>	<b>8,109,509</b>
<b>Revenue:</b>											
Department of Housing and Urban Development	-	-	2,586,023	-	-	-	195,603	-	-	-	2,781,626
Veterans Administrative grants	-	-	2,226,141	-	-	-	-	-	-	-	2,226,141
Medicaid - Federal and State, net	127,975	-	52,738	369,643	367,222	-	-	-	-	-	917,578
Rent and service charges, net	192,776	-	851,044	-	3,720	2,609	24,759	-	-	-	1,074,908
Contracted services	-	-	1,254,522	-	-	-	-	-	-	-	1,254,522
Outside rent	-	-	71,000	-	-	-	24,816	-	-	-	95,816
Miscellaneous	1,818	-	35,379	-	-	-	-	-	120,995	-	158,192
Fundraising events	-	-	-	-	-	-	-	-	-	52,519	52,519
Employment projects	-	-	53,900	-	-	-	-	-	-	-	53,900
Food and common area fees	-	-	-	34,765	32,400	-	-	-	32,796	-	67,165
Management fees	-	-	-	-	-	-	-	-	-	-	32,796
Medicare revenue, net	40,191	-	34,866	-	-	-	-	-	-	-	75,057
Unrealized gain/(loss)	-	-	-	-	-	-	-	-	20,186	-	20,186
Interest	2	-	29	-	-	-	-	-	133	-	164
Gain (loss) on disposal of fixed assets	-	-	523,061	-	-	-	-	-	3,002	-	601,751
Sliding fee and free care	33,416	-	-	-	-	-	75,688	-	-	-	33,416
Bad debts	(166,783)	-	(167,433)	(619)	-	(1,305)	(250)	-	-	-	(336,390)
<b>Total Revenue</b>	<b>229,395</b>	<b>-</b>	<b>7,521,270</b>	<b>403,789</b>	<b>403,342</b>	<b>1,304</b>	<b>320,616</b>	<b>-</b>	<b>177,112</b>	<b>52,519</b>	<b>9,109,347</b>
<b>Total Public Support and Revenue</b>	<b>1,038,534</b>	<b>4,095,763</b>	<b>9,058,706</b>	<b>403,789</b>	<b>404,842</b>	<b>238,652</b>	<b>320,616</b>	<b>1,228,155</b>	<b>376,348</b>	<b>53,451</b>	<b>17,218,856</b>
Expenses before depreciation	1,100,296	45,612	7,039,730	235,084	245,938	210,087	282,585	1,099,512	1,777,132	479,429	12,515,405
Change in net assets before depreciation	(61,762)	4,050,151	2,018,976	168,705	158,904	28,565	38,031	128,643	(1,400,784)	(425,978)	4,703,451
Depreciation	44,861	-	518,304	127	-	3,726	26,252	-	40,207	2,339	635,816
Change in net assets	(106,623)	4,050,151	1,500,672	168,578	158,904	24,839	11,779	128,643	(1,440,991)	(428,317)	4,067,635

See Independent Auditors' Report.

HARBOR HOMES, INC.  
Schedule of Expenses

For the Year Ended June 30, 2014

Expenses:	Healthcare		Non BBH		Community Residence Chestnut St.	Community Residence Winter St.	Emergency Shelter	Permanent Housing 2	HPRP (Bridge) State	Administration	Fundraising	Total
	Clinic		HCH - CIP	Other								
Accounting fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,400	\$ -	\$ 49,400
Advertising and printing	8,726	-	-	-	-	-	-	-	-	20,374	1,323	30,423
Client services and assistance	-	-	-	33,787	-	-	-	-	-	70	-	34,062
Client transportation	-	-	-	17,175	-	-	225	-	-	725	-	17,900
Conference and conventions	4,242	-	-	21,868	-	-	150	-	-	10,627	175	37,062
Contract labor	18,178	-	-	215,576	100	-	-	-	-	27,978	-	261,832
Dues and subscriptions	3,145	-	-	355	-	-	-	-	-	20,131	-	23,631
Employee benefits	104,026	-	-	357,495	22,720	35,391	7,773	20,633	23,375	215,500	51,735	838,648
Equipment rental	-	-	-	117	-	-	-	39	-	7,644	-	7,839
Food	-	-	-	24,355	21,076	17,474	395	-	-	592	-	63,892
Fundraising expenses	-	-	-	-	-	-	-	-	-	-	19,460	19,460
Garbage and trash removal	306	-	-	14,511	-	-	-	2,719	-	1,512	119	19,187
Grants	-	-	-	288,960	-	-	677	120	35	5,624	-	295,416
Information technology	5,549	-	-	45,612	-	133	32	58	1,630	24,645	39	134,372
Interest expense - mortgage	3,615	-	-	56,674	-	-	-	-	-	330,784	1,405	398,452
Interest expense - other	-	-	-	62,648	-	-	-	-	-	21,260	-	21,493
Journals and publications	346	-	-	628	208	208	-	-	-	365	-	1,755
Legal fees	3,000	-	-	21,580	-	-	-	1,770	-	21,517	75	47,942
Management fees	-	-	-	-	-	-	-	-	-	8,964	-	8,964
Medical and clothing	-	-	-	-	-	-	-	-	-	6,784	-	6,784
Office supplies	1,269	-	-	34,117	580	131	222	646	220	14,474	241	51,900
Operating and maintenance	4,117	-	-	167,655	-	1,584	9,229	26,467	-	13,015	627	222,694
Operational supplies	15,077	-	-	66,227	3,547	3,346	4,306	7,305	-	-	223	100,031
Other expenditures	5,362	-	-	-	-	-	221	35	-	42,434	94	48,146
Payroll taxes	73,541	-	-	262,845	17,198	16,436	4,726	7,268	10,588	62,054	28,052	482,708
Postage/shipping	308	-	-	2,229	-	-	4	52	325	7,095	564	10,577
Professional fees	9,966	-	-	184,620	-	-	-	-	-	32,445	10,581	237,612
Property and liability insurance	12,819	-	-	51,324	510	400	2,529	2,495	1,303	21,547	1,094	94,021
Property taxes	-	-	-	29,448	-	-	-	-	-	7,988	-	37,446
Rent expense	816,455	-	-	1,823,361	168,234	168,096	18,627	94,115	923,674	-	-	2,933,364
Salary and wages	-	-	-	2,831,635	-	-	51,751	84,423	126,604	713,672	359,775	5,320,645
Security deposits	-	-	-	91,441	-	-	-	5,580	1,700	-	-	117,348
Snow removal	474	-	-	34,501	-	-	32	4,218	-	2,423	184	41,832
Staff development	328	-	-	3,220	-	-	-	-	-	2,673	-	6,221
Staff expense	1,408	-	-	3,247	119	23	180	35	23	11,859	172	17,066
Staff transportation	1,222	-	-	24,262	487	445	303	504	8,586	24,748	381	60,948
Telephone/communications	2,845	-	-	55,678	295	565	2,311	3,309	1,410	25,652	1,566	93,631
Utilities	3,972	-	-	238,081	-	-	14,160	20,450	-	20,003	1,544	298,210
Vehicle expenses	-	-	-	19,877	-	1,706	-	344	-	544	-	22,471
Total Expenses Before Depreciation	1,100,296	-	-	7,039,730	235,084	245,938	210,087	282,565	1,089,512	1,777,132	479,429	12,515,405
Depreciation	44,861	-	-	518,304	127	-	3,726	26,252	-	40,207	2,339	635,816
Total Expenses	\$ 1,145,157	\$ -	\$ 45,612	\$ 7,558,034	\$ 235,211	\$ 245,938	\$ 213,813	\$ 308,837	\$ 1,099,512	\$ 1,817,339	\$ 481,768	\$ 13,151,221

See Independent Auditors' Report.

**HARBOR HOMES, INC. AND AFFILIATES BOARD OF DIRECTORS**

(Harbor Homes, Inc., HH Ownership, Inc., Welcoming Light, Inc., Healthy At Home, Inc., Milford Regional Counseling Services, Inc., Greater Nashua Council on Alcoholism, Inc., Southern NH HIV Task Force)

David Aponovich - [REDACTED]

**Treasurer**

- (Chair, Finance Committee)
- (Facilities Committee)
- (Executive Committee)

Joel Jaffe - [REDACTED]

**Asst. Secretary**

- (Chair, Executive Committee)

Vincent Chamberlain - (6/15)

**Chair of the Board**

Lynn King - [REDACTED]

**Vice Chair**

- (Chair, RDP Committee)

Laurie Des Rochers - (6/15)

- (Facilities Committee)

Melissa Knight - [REDACTED]

- (HCC Oversight Committee)

Phil Duhaime - [REDACTED]

- (Governance Committee)
- (Executive Committee)

Naomi Moody - [REDACTED]

- (no committee assignment)

Laurie Goguen - [REDACTED]

**Secretary**

- (Chair, Governance Committee)
- (HCC Oversight Committee)
- (Executive Committee)

Rick Plante - [REDACTED]

- (Chair, Facilities Committee)
- (RDP Committee)

Nathan Goodwin - [REDACTED]

- (Governance Committee)
- (RDP Committee)

Phil Richard - [REDACTED]

- (Facilities Committee)
- (Governance Committee)

□

Alphonse Haettenschwiller - (6/15)

- (Finance Committee)
- (Chair, HCC Oversight Committee)

Dan Sallet - [REDACTED]

- (Finance Committee)

Vicktor G Senat DMD  
Harbor Homes, Inc.  
45 High St  
Nashua, NH 03060  
[v.senat@harborhomes.org](mailto:v.senat@harborhomes.org)

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**Education**

Sept 2001—May 2005  
DMD

**Tufts University School of Dental Medicine, Boston, MA**  
Awarded Clinical Excellence in Endodontics

Sept 1999—May 2001  
BS in Biology

**Central Connecticut State University, New Britain, CT**  
Dean's List

Sept 1994—May 1996  
AS in Physical Therapy

**Newbury College, Brookline, MA**  
Dean's List, Who's Who Among College and University Students 1996

Sept 1991—May 1992

**Bridgewater State College, Bridgewater, MA**  
Major: Physical Education

**Work Experience**

12/2014 - Present

**Harbor Homes, Inc - Harbor Care Health and Wellness Center, Nashua, NH**  
Lead Dentist  
Comprehensive Dentistry  
Treatment planning of simple and complex treatments  
Amalgam and composite restorations  
Crown and Bridge  
Veneers  
Restoring Implants  
Conventional Dentures  
Implant retained Dentures  
Interim Dentures  
Extraction both surgical and simple  
Pediatric restorative and extractions  
Use of Nitrous and oral sedation medications  
Root canal Therapy (Use of Rotary system) Lateral condensation  
I.V sedation restorative treatment with an Anesthesiologist

July 2005- Present

**NHCCD, Amherst, NH**  
Dentist  
Comprehensive Dentistry  
Treatment planning of simple and complex treatments  
Amalgam and composite restorations  
Crown and Bridge  
Veneers  
Restoring Implants  
Conventional Dentures  
Implant retained Dentures  
Interim Dentures  
Extraction both surgical and simple  
Pediatric restorative and extractions  
Use of Nitrous and oral sedation medications  
Root canal Therapy (Use of Rotary system) Lateral condensation  
I.V sedation restorative treatment with an Anesthesiologist

Apr 2004- May 2004

**St Joseph Hospital, Providence RI**  
5 week externship in Pediatric Dentistry

Performed and treatment planned a number of operative procedures.  
Performed recalls and cleanings  
Treatment planned and cemented space maintainers  
Observed three sessions in the complex operating room full mouth rehabilitations

Jan 2000-Aug 2001

**Lewckowics Dental, Newington Ct**  
Lab Technician Apprentice  
Poured up and Mounted diagnostic models on an articulator  
Pindexed crown and bridge cases  
Performed diagnostic wax-ups on crown and bridge cases  
Fabricated temporary crowns and acrylic oral appliances

Aug 1998- Aug 1999

**Sundance Rehabilitation, Newington Ct**  
Physical Therapy Assistant  
Case load of 6-13 patients daily with duties including daily and weekly progress notes, ordering equipment, discharge planning, communicating with other medical staff, patient family teaching, and weekly patient care planning meetings.

Jun 1996- Aug 1998

**Spaulding Rehabilitation Hospital, Boston Ma**  
Physical Therapy Assistant  
Case load of 6-10 patients daily with duties including daily and weekly progress notes, ordering equipment, discharge planning, communicating with other medical staff, patient family teaching and weekly patient care planning meetings.  
Experienced with complex medical and ventilator dependent patients.

#### **Continued Education**

Veneer Preparation and design Yankee Dental  
Cerac training and use  
Better Class II composites and materials Yankee Dental  
Communication and Comprehensive dental care Wilkins Mello Handa group  
Socket preservation after extractions Yankee Dental  
Treatment planning and treating implant retained prosthesis  
Demystifying Occlusion Frank Spear  
Treating the Worn Dentition Frank Spear  
The Art of Treatment Planning and Case Presentation Frank Spear  
Facially Generated Treatment Planning  
Occlusion in Clinical Practice Frank Spear

#### **Memberships**

AGD

#### **Certifications**

BLS

ACLS

#### **Volunteer Work**

Jun 2008- Feb 2010

Tufts School of Dental Medicine  
Observing, teaching, and mentoring third and fourth year dental students.

**References - Available upon request**

**CONTRACTOR NAME**

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Peter Kelleher	President & CEO	\$166,109	0%	\$0
Carol Furlong	VP of Operations	\$93,496	0%	\$0
Ana Pancine	Finance Specialist	\$60,008	0%	\$0
Vicktor Senat	Dentist	\$125,000	5%	\$6,250

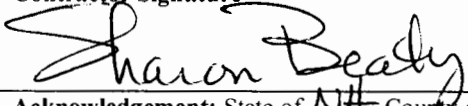
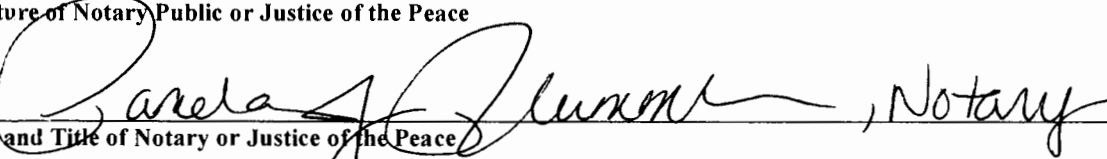
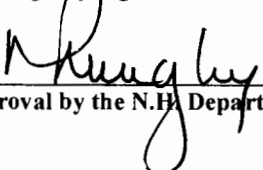
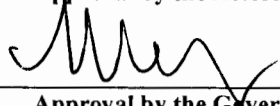
Subject: Senior Oral Health Program

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> Department of Health & Human Services		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301	
<b>1.3 Contractor Name</b> Mid-State Health Center		<b>1.4 Contractor Address</b> 101 Boulder Point Drive, Suite 1 Plymouth, NH 03222	
<b>1.5 Contractor Phone Number</b> 603-536-4000	<b>1.6 Account Number</b> 05-95-48-481010-8917-102-500731	<b>1.7 Completion Date</b> September 30, 2016	<b>1.8 Price Limitation</b> \$27,886.
<b>1.9 Contracting Officer for State Agency</b> Eric D. Borrin		<b>1.10 State Agency Telephone Number</b> (603) 271-9558	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> Sharon Beady, CEO	
<b>1.13 Acknowledgement:</b> State of <u>NH</u> , County of <u>Grafton</u> On <u>7/29/15</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.			
<b>1.13.1 Signature of Notary Public or Justice of the Peace</b> [Seal]  , Notary			
<b>1.13.2 Name and Title of Notary or Justice of the Peace</b> Pamela J. Plummer			
<b>1.14 State Agency Signature</b> 		<b>1.15 Name and Title of State Agency Signatory</b> D Langley Duffa	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director. On: _____			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution)</b> By:  Megan A. York, Attorney On: <u>8/27/15</u>			
<b>1.18 Approval by the Governor and Executive Council</b> By: _____ On: _____			



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

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

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

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**  
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.  
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.  
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

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

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

Contractor Initials: SB  
Date: 7-28-13

## 8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

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

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

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

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

## 12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

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

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

## 14. INSURANCE.

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

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

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

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

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

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

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

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

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

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

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

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



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**Scope of Services**

**1. SCOPE OF SERVICES:**

1.1. The Contractor will:

1.1.1. Provide dental treatments to adults ages 60 and up who need early or immediate intervention and lack the financial resources for dental treatment, and who reside in any city or town in New Hampshire, as follows:

1.1.1.1. Accept client referrals from the Department;

1.1.1.2. Complete an oral health diagnosis for each client;

1.1.1.3. Diagnose oral health issues and problems and develop a dental treatment plan based on the client's identified oral health and/or treatment needs;

1.1.1.4. Schedule and remind clients of their dental appointments;

1.1.1.5. Perform, with the individual's approval, dental services and treatment in accordance with the Exhibit B-1 Dental Fee Schedule up to a \$2,000 limit per individual patient for the contract period;

1.1.1.6. Follow up with clients to ensure their pain or infection was alleviated after receiving dental treatment(s);

1.1.1.7. Provide client level data in a secure, electronic format as specified by the Department for completion of required reports; and

**2. Licensing Requirements:**

The Contractor will ensure that the dentist(s) performing services under this agreement, including any subcontract agreements, must possess a current dental license issued by the State of New Hampshire Board of Dental Examiners.

**3. Cultural Considerations:**

The Contractor will 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.

**4. Criminal Background Check:**

Contractor shall conduct a New Hampshire criminal background check for a potential applicant for employment or volunteer, funded under this contract.



Exhibit A

**5. DHHS' Bureau of Elderly and Adult Services' (BEAS) State Registry:**

Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49 Registry, VII, which requires that all employers of programs that are licensed, certified, or funded by the NH Department of Health and Human Services to provide services, submit the name of prospective employees who may have client contact for review against the registry of founded reports of abuse, neglect, and exploitation of incapacitated adults.

**6. Contract Monitoring**

6.1. The Contractor will:

- 6.1.1. Participate in an "on-site review," conducted by the Department, of the records of clients who received dental care and treatment in the program.
- 6.1.2. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.
- 6.1.3. Ensure the Department is provided with access that includes but is not limited to:
  - 6.1.3.1. Data;
  - 6.1.3.2. Financial records;
  - 6.1.3.3. Scheduled access to Contractor work sites/locations/work spaces and associated facilities;
  - 6.1.3.4. Unannounced access to Contractor work sites/locations/work spaces and associated facilities;
  - 6.1.3.5. Scheduled phone access to Contractor principals and staff.

*Remainder of Page Left Intentionally Blank*



## Exhibit B

### Method and Conditions Precedent to Payment

1. Price Limitation. This Agreement is one of multiple Agreements that will serve the Senior Oral Health Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
2. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Department shall reimburse the Contractor for actual dental service(s) provided by the contractor to eligible individuals, resulting from referrals made by the Department and in accordance with Exhibit A, Scope of Services.
3. Reimbursement shall be based on the Senior Oral Health Program, Dental Fee Schedule, identified in Exhibit B-1.
4. Reimbursement Limits per Patient. Reimbursement is limited to \$2,000 per patient for during the Agreement period, depending on the availability of funding. Any additional treatment that exceeds the limit per patient shall be at the sole expense of the participating dental practice or clinic.
5. Contract dentists shall complete and submit Dental Claim Forms provided by the Bureau of Elderly and Adult Services for each client, due within 15 days from the date of treatment.  
Dental Claim forms shall be sent to:  
Bureau of Elderly and Adult Services  
Administrator, Community Programs and Long-Term Care  
129 Pleasant Street  
Concord, NH 03301
6. Notwithstanding anything to the contrary herein, the Contractor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State Law, rule or regulation applicable to the services provided, or if the said services have not been satisfactory completed in accordance with the terms and condition of this Agreement.
7. The funding source for this Agreement for Dental Services is 100% federal funds from the Administration for Community Living, Title III, Part D, Disease Prevention and Health Promotion Services, CFDA 93.043. The Contractor agrees to provide the services in Exhibit A, Scope of Services in compliance with funding requirements.
8. The contractor shall have or secure a vendor number with the State of New Hampshire to receive payment from the DHHS.
9. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT). Exceptions to using EFT for payment shall be made upon prior approval of the BEAS Financial Manager or designee.



Exhibit B-1

**NH Bureau of Elderly and Adult Services, Older Adult Oral Health Program (ages 60+)  
Dental Fee Schedule as of February 2015**

Code	Procedure	Fee
D0120	Periodic oral evaluation	41.00
D0140	Limited oral evaluation	60.00
D0210	Intraoral-complete series	96.00
D0220	Intraoral-Periapical 1st film	15.00
D0230	Intraoral-Periapical each additional	10.00
D0270	Bitewings - Xray	17.00
D0272	Bitewings - two films	25.00
D0274	Bitewings - four films	45.00
D0330	Panoramic film	83.00
D2140	Amalgam - 1 surface	150.00
D2150	Amalgam - 2 surface	155.00
D2160	Amalgam - 3 surface	180.00
D2161	Amalgam - 4/4+ surface	200.00
D2330	Resin-1 surface anterior	131.00
D2331	Resin-2 surface anterior	143.00
D2332	Resin-3 surface anterior	147.00
D2335	Resin-4/4+ surface anterior	165.00
D2391	Resin-1 surface posterior	150.00
D2392	Resin-2 surface posterior	155.00
D2393	Resin-3 surface posterior	180.00
D2394	Resin-4/4+ surface posterior	200.00
D4341	Scaling and root planing (per quadrant)	100.00
D4355	Full mouth debridement	90.00
D5110	Complete denture-maxillary	800.00
D5120	Complete denture-mandibular	800.00
D5130	Immediate denture-maxillary	875.00
D5140	Immediate denture-mandibular	875.00
D5211	Maxillary partial-resin base	600.00
D5212	Maxillary partial-resin base	600.00
D5410	Adjust complete denture, maxillary	50.00
D5411	Adjust complete denture, mandibular	50.00
D5421	Adjust partial denture, maxillary	50.00
D5422	Adjust partial denture, mandibular	50.00
D5520	Replace denture teeth	127.00
D5750	Reline complete maxillary denture	244.00
D5751	Reline complete mandibular denture	244.00
D7140	Extraction-erupted/exposed	150.00
D7210	Extraction-surgical-imp bony	225.00
D7240	Removal of Impacted Tooth Tissue	225.00
D7310	Alveoloplasty - per quadrant	275.00
D7472	Removal of torus palatinus Mandibular 2 quadrants	400.00
D5760	Reline maxillary partial denture	99.00
D5761	Reline mandibular partial denture	99.00

SB

7-29-15



**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

Handwritten initials, possibly "JB", written in black ink.

Handwritten date "7-24-15" written in black ink.



- 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.
3. The Department reserves the right to renew the Contract for up to two additional years, subject to the continued availability of funds, satisfactory performance of services and approval by the Governor and Executive Council.

*SB*

*7-29-15*



**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 GRANTEEES OTHER THAN INDIVIDUALS**

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

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

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

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
  - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
  - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
    - 1.2.1. The dangers of drug abuse in the workplace;
    - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
    - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
    - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
  - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
  - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
    - 1.4.1. Abide by the terms of the statement; and
    - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
  - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency



- 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: Mid-State Health Center

7-29-15  
Date

Sharon Beady  
Name: Sharon Beady  
Title: CEO

Contractor Initials SB  
Date 7-29-15



**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: Mid-State Health Center

7-29-15  
Date

Sharon Beatty  
Name: Sharon Beatty  
Title: CEO





**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:

July 29, 2015  
Date

Sharon Beaty  
Name: Sharon Beaty  
Title: Chief Executive Officer

Contractor Initials SB  
Date 7-29-15



**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

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

7-21-15

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.

July 29, 2015  
Date

Contractor Name:

Sharon Beady  
Name: Sharon Beady  
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

SB

Date

7-29-15



**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:

July 29, 2015  
Date

Sharon Beatty  
Name: Sharon Beatty  
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.

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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

B

7/24/13



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.

*SB*

*7-29-15*



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 & Human Services  
 The State  
Diane Langley  
 Signature of Authorized Representative  
Diane Langley  
 Name of Authorized Representative  
Director  
 Title of Authorized Representative  
8/11/15  
 Date

Mid-State Health Center  
 Name of the Contractor  
Sharon Beaty  
 Signature of Authorized Representative  
Sharon Beaty  
 Name of Authorized Representative  
Chief Executive Officer  
 Title of Authorized Representative  
July 29, 2015  
 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: Mid-State Health Center

Sharon Beady  
Name: Sharon Beady / Mid-State Health Center  
Title: CEO

7-29-2015  
Date

Contractor Initials SB  
Date 7-29-15



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: 109385625
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:

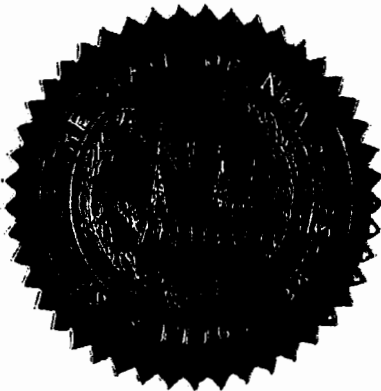
4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

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 Mid-State Health Center is a New Hampshire nonprofit corporation formed January 9, 1998. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 7<sup>th</sup> day of April, A.D. 2015

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

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

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

1. I am a duly elected Officer of Mid-State Health Center.  
(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 April 23, 2013:  
(Date)

**RESOLVED:** That the Sharon Beaty  
(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 30th day of July, 2015.  
(Date Contract Signed)

4. Sharon Beaty is the duly appointed Chief Executive Officer  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Robert MacLeod  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Merrimack

The forgoing instrument was acknowledged before me this 30th day of July, 2015.

By Robert MacLeod  
(Name of Elected Officer of the Agency)

Susan J. Searah  
(Notary Public, Justice of the Peace)

(NOTARY SEAL)

**SUSAN J. SEARAH, Justice of the Peace**  
**My Commission Expires May 11, 2016**

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

**Mid-State Health Center  
Board of Directors  
RESOLUTION**

The undersigned Secretary of Mid-State Health Center hereby certifies that the following resolutions were duly adopted by the board on April 23, 2013.

**BE IT RESOLVED** that Mid-State Health Center enters into contracts with the State of New Hampshire, acting through its Department of Health and Human Services

**BE IT FURTHER RESOLVED** that the Chief Executive Officer and/or Board President is hereby authorized on behalf of this corporation to enter into said contracts 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

Adopted April 23, 2013



---

Ann Blair  
Secretary



Client#: 5846

MIDSTATE

ACORD™

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/10/2015

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

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

<b>PRODUCER</b> William Gallagher Associates 470 Atlantic Avenue Boston, MA 02210	<b>CONTACT NAME:</b> _____	
	<b>PHONE (A/C, No, Ext):</b> _____	<b>FAX (A/C, No):</b> _____
<b>E-MAIL ADDRESS:</b> _____		
<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
<b>INSURER A : National Fire &amp; Marine Insuranc</b>		<b>20079</b>
<b>INSURER B : New Hampshire Employers Insuran</b>		
<b>INSURER C :</b> _____		
<b>INSURER D :</b> _____		
<b>INSURER E :</b> _____		
<b>INSURER F :</b> _____		

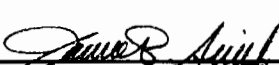
**INSURED**  
 Mid-State Health Center  
 101 Boulder Point Drive  
 Suite 1  
 Plymouth, NH 03264

**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 WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			HN004919	10/01/2014	10/01/2015	EACH OCCURRENCE \$2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$50,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$0
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$2,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						GENERAL AGGREGATE \$4,000,000
	AUTOMOBILE LIABILITY						PRODUCTS - COMP/OP AGG \$4,000,000
	<input type="checkbox"/> ANY AUTO						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per person) \$
	<input type="checkbox"/> HIRED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> NON-OWNED AUTOS						\$
	UMBRELLA LIAB						EACH OCCURRENCE \$
	<input type="checkbox"/> OCCUR						AGGREGATE \$
	EXCESS LIAB						\$
	<input type="checkbox"/> CLAIMS-MADE						\$
	DED						\$
	RETENTION \$						\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			ECC60040000792014A	10/01/2014	10/01/2015	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N					E.L. EACH ACCIDENT \$500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below	N	N/A				E.L. DISEASE - EA EMPLOYEE \$500,000
							E.L. DISEASE - POLICY LIMIT \$500,000

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

<b>CERTIFICATE HOLDER</b>  State of New Hampshire Department 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  



*Where your care comes together.*

Family, Internal and Pediatric Medicine • Behavioral Health Services

[www.midstatehealth.org](http://www.midstatehealth.org)

### ***Mission Statement***

Mid-State Health Center provides sound primary care to the community accessible to all regardless of the ability to pay.

### ***Vision for the Future***

- ◇ Patients are satisfied, knowledgeable and involved in their healthcare.
- ◇ Mid-State Health Center has developed collaborative relationships with the medical community.
- ◇ Facilities are comfortable, functional and accessible.
- ◇ Working environment is characterized by professional behavior, mutual respect and focused on finding solutions to problems.
- ◇ Mid-State operates in a manner that results in financial stability, enhances efficiency, respects the importance of the working environment and supports a premier teaching experience.

### ***Core Values***

- ◇ Employees and providers are held to high ethical and professional standards.
- ◇ Committed to creating a healthier community.
- ◇ Respects the privacy of the provider-patient relationship.
- ◇ Continuing education is supported at all levels of the organization.
- ◇ Provides high-quality primary care.
- ◇ Recognizes the importance of employees' need to lead healthy and balanced lives.
- ◇ Respects and considers the opinions of all stakeholders.
- ◇ Board members are actively involved, interested and committed to the success of Mid-State.

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**Plymouth Office:** 101 Boulder Point Drive • PH (603) 536-4000 • FAX (603) 536-4001

**Bristol Office:** 100 Robie Road • PH (603) 744-6200 • FAX (603) 744-9024

**Mailing Address:** 101 Boulder Point Drive • Suite 1 • Plymouth, NH 03264

**MID-STATE HEALTH CENTER  
AND SUBSIDIARY**

**Consolidated Financial Statements**

As of and for the Years Ended  
June 30, 2014 and 2013

**Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2014

**and**

**Independent Auditors' Report**



# MID-STATE HEALTH CENTER AND SUBSIDAIRY

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As of and for the Years Ended June 30, 2014 and 2013

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TYLER, SIMMS & ST. SAUVEUR, P.C.  
Certified Public Accountants & Business Consultants

## Independent Auditors' Report

To the Board of Trustees of  
Mid-State Health Center and Subsidiary:

### *Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of Mid-State Health Center and Subsidiary, which comprise the consolidated statements of financial position as of June 30, 2014 and 2013, and the related consolidated statements of activities and changes in net assets 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 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.

### *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 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 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 Organization'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 Organization'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 Mid-State Health Center and Subsidiary as of June 30, 2014 and 2013, and the results of their operations, changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental Schedule of Expenditures of Federal Awards on pages 21-30 is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the financial statements. The consolidating information is also presented on pages 31-36 for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of the Organization's 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 13, 2014, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 the Organization's internal control over financial reporting and compliance.

*Tyler, Senius and St. Laurent, CPAs, P.C.*

Lebanon, New Hampshire  
November 13, 2014

**MID-STATE HEALTH CENTER AND SUBSIDIARY****Consolidated Statements of Financial Position**

As of June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,027,767	\$ 771,305
Patient accounts receivable, net	564,515	389,029
Estimated third-party settlements	50,000	35,000
Grants and state contracts receivable	972,793	391,025
Prepaid expenses and other receivable	375,600	209,052
Total current assets	<u>2,990,675</u>	<u>1,795,411</u>
Property and equipment, net	<u>6,591,105</u>	<u>4,470,183</u>
Other assets		
Deferred financing costs	60,465	1,931
Other assets	1,835	2,751
Total other assets	<u>62,300</u>	<u>4,682</u>
Total assets	<u>\$ 9,644,080</u>	<u>\$ 6,270,276</u>
<b>Liabilities</b>		
Current liabilities		
Line of credit - SMH (Note 12)	\$ 75,000	\$ 75,000
Accounts payable	393,737	312,129
Construction payable	221,468	34,955
Accrued expenses and other current liabilities	89,424	86,885
Accrued payroll and related expenses	132,025	179,785
Accrued earned time	261,041	256,704
Current portion of long-term debt	120,827	113,926
Current portion of capital lease obligations	7,581	6,628
Deferred grants and state contract revenue	768,760	322,871
Total current liabilities	<u>2,069,863</u>	<u>1,388,883</u>
Long-term debt, less current portion	<u>5,046,856</u>	<u>3,568,108</u>
Capital lease obligations, less current portion	<u>2,133</u>	<u>9,761</u>
Total liabilities	<u>7,118,852</u>	<u>4,966,752</u>
Commitments and contingencies (See Notes)		
<b>Net assets</b>		
Unrestricted	1,714,723	519,915
Temporarily restricted	810,505	783,609
Total net assets	<u>2,525,228</u>	<u>1,303,524</u>
Total liabilities and net assets	<u>\$ 9,644,080</u>	<u>\$ 6,270,276</u>

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

**MID-STATE HEALTH CENTER AND SUBSIDIARY**  
**Consolidated Statements of Activities and Changes in Net Assets**  
For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>Changes in unrestricted net assets</b>		
Unrestricted revenue, gains and other support		
Patient service revenue (net of contractual allowances and discounts)	\$ 5,300,033	\$ 5,414,241
Provision for bad debts	348,130	367,681
Net patient service revenue	<u>4,951,903</u>	<u>5,046,560</u>
Community Benefit Grant	228,000	228,000
Other grant and state contract revenue	1,136,271	387,597
Contributions	499,298	16,164
Other operating revenue	<u>1,349,093</u>	<u>930,556</u>
Total unrestricted revenue, gains, and other support	<u>8,164,565</u>	<u>6,608,877</u>
Expenses		
Salaries and wages	4,129,562	3,952,349
Employee benefits	832,921	845,074
Insurance	103,535	98,084
Professional fees	447,205	311,437
Supplies and expenses	1,145,679	1,003,119
Depreciation and amortization	171,778	183,861
Interest expense	<u>160,823</u>	<u>219,366</u>
Total expenses	<u>6,991,503</u>	<u>6,613,290</u>
Increase (decrease) in net assets from operating activities	<u>1,173,062</u>	<u>(4,413)</u>
Non-operating gains (losses)		
Gain (loss) on disposal of fixed assets	(1,358)	959
Net assets released from restrictions used for property and equipment	23,104	23,104
Total non-operating gains (losses)	<u>21,746</u>	<u>24,063</u>
Increase in unrestricted net assets	<u>1,194,808</u>	<u>19,650</u>
<b>Changes in temporarily restricted net assets</b>		
Contributions	50,000	-
Net assets released from restrictions	<u>(23,104)</u>	<u>(23,104)</u>
Increase (decrease) in temporarily restricted net assets	<u>26,896</u>	<u>(23,104)</u>
Change in net assets	1,221,704	(3,454)
<b>Net assets, beginning of year</b>	<u>1,303,524</u>	<u>1,306,978</u>
<b>Net assets, end of year</b>	<u>\$ 2,525,228</u>	<u>\$ 1,303,524</u>

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



## MID-STATE HEALTH CENTER AND SUBSIDIARY

### Consolidated Statements of Cash Flows

For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 1,221,704	\$ (3,454)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	171,778	183,861
Amortization reflected as interest	10,985	21,663
Provision for bad debts	348,130	367,681
(Gain) loss on disposal of fixed assets	1,358	(959)
In-kind contributions	(482,417)	-
Contributions restricted for long-term investments	(50,000)	-
(Increase) decrease in the following assets:		
Patient accounts receivable	(523,616)	(369,924)
Estimated third-party settlements	(15,000)	-
Community benefit grant receivable	-	106,244
Grants and state contracts receivable	(581,768)	(148,632)
Prepaid expenses and other receivable	(166,548)	(49,184)
Increase (decrease) in the following liabilities:		
Accounts payable	81,608	50,819
Construction payable	186,513	34,955
Accrued payroll and related expenses	(47,760)	24,776
Accrued earned time	4,337	28,474
Accrued other expenses	2,539	(23,199)
Deferred grants and state contract revenue	445,889	114,696
Net cash provided by operating activities	<u>607,732</u>	<u>337,817</u>
<b>Cash flows from investing activities</b>		
Deferred financing costs	(48,443)	-
Purchases of property and equipment	(2,294,335)	(220,859)
Proceeds from sale of assets	1,193	-
Net cash used in investing activities	<u>(2,341,585)</u>	<u>(220,859)</u>
<b>Cash flows from financing activities</b>		
Contributions restricted for long-term investment	50,000	-
Payments on capital leases	(6,675)	(28,567)
Payments on long-term debt	(413,689)	(93,156)
Proceeds on long-term debt	2,360,679	150,100
Net cash provided by financing activities	<u>1,990,315</u>	<u>28,377</u>
Net increase in cash and cash equivalents	256,462	145,335
Cash and cash equivalents, beginning of year	<u>771,305</u>	<u>625,970</u>
Cash and cash equivalents, end of year	<u>\$ 1,027,767</u>	<u>\$ 771,305</u>

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

**MID-STATE HEALTH CENTER AND SUBSIDIARY**  
**Consolidated Statements of Cash Flows (continued)**  
For the Years Ended June 30, 2014 and 2013

**Supplemental Disclosures of Cash Flow Information**

	<u>2014</u>	<u>2013</u>
Cash payments for:		
Interest	\$ <u>198,020</u>	\$ <u>197,436</u>
State taxes	\$ <u>2,228</u>	\$ <u>2,610</u>

**Supplemental Disclosures of Non-Cash Transactions**

During 2014, the Organization refinanced various obligations through the issuance of long-term notes payable totaling \$2,904,000 (see Note 10).

During 2014, the Organization recognized an in-kind contribution in the amount of \$482,417, representing forgiveness of the Organization's outstanding balance on a certain note payable at the time of the contribution (see Note 10).

During 2013, the Organization purchased certain equipment through the issuance of capital leases totaling \$7,132.

During 2013, the Organization purchased land through the issuance of a long-term note payable in the amount of \$152,000.

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

# MID-STATE HEALTH CENTER AND SUBSIDIARY

## Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

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### 1. Summary of Significant Accounting Policies:

#### Organization

Mid-State Health Center ("MSHC"), is a physician practice which provides health care to a large number of Medicare, Medicaid and charity care patients on an outpatient basis. MSHC maintains facilities in Plymouth and Bristol, New Hampshire. During fiscal year 2014, MSHC was approved as a Federally Qualified Health Center (FQHC), which helps non-profit health care organizations that serve predominately uninsured or medically underserved populations through increased Medicare and Medicaid reimbursement rates.

The consolidated financial statements include the accounts of CRDC Plymouth Community Development Corporation (CRDC Plymouth), collectively, "the Organization".

Effective September 23, 2010, the Organization was transferred a sole member interest in CRDC Plymouth, which owns the 19,500 square foot operating facility that was developed to house the Organization, providing medical services to the underserved community in the Plymouth, New Hampshire region.

During the year ended June 30, 2012, after having participating in a pilot program with the New Hampshire Citizens Health Initiative (NHCHI) the Organization was officially recognized as a medical home.

#### Basis of Statement Presentation

The consolidated financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The consolidated financial statements have been prepared consistent with the American Institute of Certified Public Accountants *Audit and Accounting Guide, Health Care Organizations* (Audit Guide). All significant intercompany transactions between MSHC and CRDC Plymouth have been eliminated in consolidation.

#### Classes of Net Assets

The Organization reports information regarding its consolidated financial position and activities to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

- (1) Unrestricted Net Assets are not subject to donor-imposed stipulations.
- (2) Temporarily Restricted Net Assets are subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted net assets until the Organization satisfies the donor imposed restriction. Absent explicit donor stipulations about how long-lived assets must be maintained, the Organization reports expirations of donor restrictions over the remaining useful life of the donated or acquired long-lived asset.
- (3) Permanently Restricted Net Assets are subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the institution to use all or part of the income earned on related investments for general or specific purposes. There were no permanently restricted net assets as of June 30, 2014 and 2013.

# MID-STATE HEALTH CENTER AND SUBSIDIARY

## Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

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### 1. Summary of Significant Accounting Policies (continued):

#### Contractual Arrangements with Third-Party Payers

The Medicare and Medicaid programs pay the Organization for services at predetermined rates by treatment. The Organization is reimbursed for Medicare cost reimbursable items at a tentative rate with final settlement determined after the submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. Changes in Medicare and Medicaid programs or reduction of funding levels for programs could have an adverse effect on future amounts recognized as net patient service revenue.

The laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The Organization also enters into preferred provider agreements with certain commercial insurance carriers. Payment arrangements to the Organization under these agreements include discounted charges and fee schedule payments.

#### Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors.

#### Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy with minimal charge or at amounts less than its established rates. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

#### Estimates

The Organization uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

#### Income Taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from Federal income taxes on related income pursuant to Section 501(a) of the Code.

The Organization accounts for its uncertain tax positions in accordance with the accounting methods under ASC Subtopic 740-10. The UTP rules prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken in an organization's tax return. The Organization believes that it has appropriate support for the tax positions taken and, as such, does not have any uncertain tax positions that might result in a material impact on the Organization's statements of financial position, activities and changes in net assets and cash flows. The Organization's management believes it is no longer subject to examinations for the years prior to 2010.

# MID-STATE HEALTH CENTER AND SUBSIDIARY

## Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

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### 1. Summary of Significant Accounting Policies (continued):

#### Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, petty cash funds and investments with a maturity of three months or less, and exclude amounts whose use is limited by Board designation or other arrangements under trust agreements or with third-party payors.

#### Receivables

Patient receivables are carried at their estimated collectible amounts. Patient credit is generally extended on a short-term basis; thus, patient receivables do not bear interest.

Patient receivables are periodically evaluated for collectability based on credit history and current financial condition. The Organization uses the allowance method to account for uncollectible accounts receivable.

#### Property and Equipment

Property and equipment acquisitions are recorded at cost. Property and equipment donated for Organization operations are recorded at fair value at the date of receipt. Expenditures for repairs and maintenance are expensed when incurred and betterments are capitalized.

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. Equipment under capital leases is amortized on the straight-line method over the life of the capital lease. Such amortization is included in depreciation and amortization in the financial statements.

Estimated useful lives are as follows:

	<u>YEARS</u>
Buildings	5 - 40
Leasehold improvements	5
Equipment	3 - 7
Furniture and fixtures	5 - 15
Capital leases	3 - 15

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

#### Concentration of Credit Risk

Financial instruments that potentially expose the Organization to concentrations of credit and market risks consist primarily of cash. The Organization has not experienced any losses on its cash.

## MID-STATE HEALTH CENTER AND SUBSIDIARY

### Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

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#### 1. Summary of Significant Accounting Policies (continued):

##### Fair Value of Financial Instruments

The carrying amount of cash, patient accounts receivable, accounts and notes payable and accrued expenses approximates fair value.

##### Advertising

Advertising costs are charged to operations when incurred. Total advertising expense for the years ended June 30, 2014 and 2013 was \$20,370 and \$15,440, respectively.

##### Functional Allocation of Expenses

Expenses that can be identified with specific program or supporting services are charged directly to the related program or supporting service. Expenses that are associated with more than one program, or supporting service are allocated based on an evaluation by management.

##### Reclassification

Certain reclassifications have been made to the 2013 consolidated financial statements to conform to the 2014 presentation. Such reclassifications had no effect on the previously reported change in net assets.

##### Recent Accounting Pronouncements

In April 2013, the FASB issued Accounting Standards Update (ASU) No. 2013-06, *Not-for-Profit Entities (Topic 958) - Services Received from Personnel of an Affiliate*. The objective of the amendments in this ASU is to specify the guidance that the NFP apply for recognizing and measuring services received from personnel of an affiliate. More specifically, the amendments in this ASU apply to a NFP that receives services from personnel of an affiliate that directly benefit the recipient NFP and for which the affiliate does not charge the recipient NFP. The amendments in this ASU require a recipient NFP to recognize all services received from personnel of an affiliate that directly benefit the recipient NFP. Those services should be measured at the cost recognized by the affiliate for the personnel providing those services. However, if measuring a service received from personnel of an affiliate at cost will significantly overstate or understate the value of the service received, the recipient NFP may elect to recognize that service received at either: (a) the cost recognized by the affiliate for the personnel providing that service, or (b) the fair value of that service. The amendments in this ASU are effective prospectively for fiscal years beginning after June 15, 2014, and interim and annual periods thereafter. A recipient NFP may apply the amendments using a modified retrospective approach under which all prior periods presented upon the date should be adjusted, but no adjustment should be made to the beginning balance of net assets of the earliest period presented. Early adoption is permitted.

#### 2. Charity Care:

The Organization maintains records to identify and monitor the level of charity care they provide. These records include the amount of charges foregone for services and supplies furnished under their charity care policies. The total cost estimate is based on an overall cost to charge ratio applied against gross charity care charges. The net cost of charity care provided was approximately \$401,000 and \$371,000 for the years ended June 30, 2014 and 2013, respectively. Gross patient service revenue provided on a charity care basis was approximately 5.7% and 5.6% for the years ended June 30, 2014 and 2013, respectively.

## MID-STATE HEALTH CENTER AND SUBSIDIARY

### Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

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#### 2. Charity Care (continued):

The Organization estimates its cost of charity care by applying the percentage of operating expenses to unrestricted revenues and gains to the gross charges foregone. In 2014 and 2013, 832 and 751 patients received charity care out of a total of 10,148 and 10,093 patients, respectively. The Organization provides health care services to residents of Plymouth, New Hampshire and the surrounding area, without regard to the individual's ability to pay for their services.

Determination of eligibility for charity care is granted on a sliding fee basis. Patients with family income less than 100% of the Community Services Administration Income Poverty Guidelines shall only be responsible for a nominal fee assessed by the Organization and not the balance of their account for services received. Those with family income at least equal to 101%, but not exceeding 138% of the Federal Poverty Guidelines, shall be responsible for a \$20 fee for each encounter. Those with family income at least equal to 139%, but not exceeding 160% of the guidelines, will be responsible for a \$30 fee for each encounter. Those with family income at least equal to 161%, but not exceeding 180% of the guidelines, will be responsible for a 440 fee for each encounter. Those with family income at least equal to 181%, but not exceeding 200% of the guidelines, will be responsible for a \$50 fee for each encounter.

Third-Party Payor Losses – In addition, the Organization incurred losses in the treatment of Medicare and Medicaid patients. Both of these government programs reimburse for medical services at less than billed charges to provide those services. In 2014 and 2013, the Organization incurred losses of \$1,035,162 and \$989,213, respectively, related to treating Medicare and Medicaid patients.

#### 3. Net Patient Service Revenue and Patient Accounts Receivable:

Net Patient Service Revenue – Net patient service revenue is reported net of contractual allowances, allowance for bad debts and other discounts as follows for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Gross patient service revenue	\$ 7,335,081	\$ 7,461,836
Third-party payor settlements	83,825	45,373
Less: Contractual allowances and discounts	<u>2,118,873</u>	<u>2,092,968</u>
Net patient service revenue before provision for bad debts	5,300,033	5,414,241
Less: Provision for bad debt	<u>348,130</u>	<u>367,681</u>
Net patient service revenue	<u>\$ 4,951,903</u>	<u>\$ 5,046,560</u>

#### Net Patient Service Revenue by Payor Source

The Organization's net patient service revenue before provision for bad debts was comprised of the following for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Governmental payors	\$ 2,544,332	\$ 2,486,638
Other third-party payors	2,478,023	2,597,334
Self-pay	<u>277,678</u>	<u>330,269</u>
Total all payors	<u>\$ 5,300,033</u>	<u>\$ 5,414,241</u>

## MID-STATE HEALTH CENTER AND SUBSIDIARY

### Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

#### 3. Net Patient Service Revenue and Patient Accounts Receivable (continued):

Patient Accounts Receivable – Patient accounts receivable is reported net of estimated contractual allowances and allowance for doubtful accounts, as follows, as of June 30:

	<u>2014</u>	<u>2013</u>
Patient accounts receivable	\$ 1,042,117	\$ 781,700
Less: Estimated contractual allowances	269,602	209,564
Less: Estimated allowance for doubtful accounts	<u>208,000</u>	<u>183,107</u>
Patient accounts receivable, net	<u>\$ 564,515</u>	<u>\$ 389,029</u>

Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Organization analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with service provided to patients who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients, including both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for only part of the bill, the Organization records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

#### 4. Estimated Third-Party Settlements:

Provision has been made for estimated adjustments that may result from final settlement of reimbursable amounts as may be required upon completion and audit of related cost finding reports under terms of contracts with the Center for Medicare and Medicaid Services and the New Hampshire Division of Welfare (Medicaid). Differences between estimated adjustments and amounts determined to be recoverable or payable are accounted for as income or expense in the year that such amounts become known.



## MID-STATE HEALTH CENTER AND SUBSIDIARY

### Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

#### 5. Grants and State Contracts:

The Organization receives various reimbursement grants from the federal government, State of New Hampshire and other public and private agencies. The following is a summary of the grant activity for the years ended June 30:

	Total Award	Earned Grant and State Contract Revenue		Outstanding Receivable		Deferred Grants and State Contract Revenue	
		2014	2013	2014	2013	2014	2013
HPHC Quality Grant - 2013	\$ 71,755	\$ 35,877	\$ 17,939	\$ 17,939	\$ 53,816	\$ 17,939	\$ 53,816
HRSA Grant - 2012	55,877	-	31,273	-	-	-	-
HRSA Grant - 2013	135,645	-	73,128	-	9,195	-	-
HRSA Grant - 2014	147,202	115,257	28,528	-	28,528	-	-
HRSA Grant - 2015	173,857	42,007	-	-	-	-	-
HRSA Grant - 2014 - 2016	812,500	433,333	-	512,500	-	379,167	-
Bi-State PCA Grant	267,927	124,367	-	-	-	-	-
NH Primary Care Contract - 2013	117,175	-	117,175	-	9,765	-	-
NH Primary Care Contract - 2014	152,176	152,176	-	54,530	117,175	-	117,675
NH Primary Care Contract - 2015	175,511	-	-	175,511	-	175,511	-
Emergency Preparedness Grant - 2013	91,000	-	88,659	-	21,166	-	-
Emergency Preparedness Grant - 2014	175,269	175,269	-	23,109	151,380	-	151,380
Emergency Preparedness Grant - 2015	151,880	-	-	151,880	-	151,880	-
Other Grant and Contract Awards	-	57,985	30,895	37,324	-	44,263	-
	<u>\$ 2,527,774</u>	<u>\$ 1,136,271</u>	<u>\$ 387,597</u>	<u>\$ 972,793</u>	<u>\$ 391,025</u>	<u>\$ 768,760</u>	<u>\$ 322,871</u>

#### 6. Property and Equipment:

Property and equipment consisted of the following as of June 30:

	2014	2013
Land	\$ 525,773	\$ 525,773
Buildings	6,338,876	4,089,569
Leasehold improvements	97,798	97,798
Furniture, fixtures and equipment	820,047	729,819
Projects in progress	-	228,658
	<u>7,782,494</u>	<u>5,671,617</u>
Less: Accumulated depreciation	<u>1,191,389</u>	<u>1,201,434</u>
	<u>\$ 6,591,105</u>	<u>\$ 4,470,183</u>

Depreciation and amortization expense, including amortization expense on capital lease obligations, for the years ended June 30, 2014 and 2013 amounted to \$164,054 and \$182,945, respectively.

## MID-STATE HEALTH CENTER AND SUBSIDIARY

### Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

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#### 7. Deferred Financing Costs:

Costs related to obtaining financing are deferred and reported net of accumulated amortization. Amortized is recognized on a straight-line basis over the period the related obligations are outstanding.

In August 2006, the Organization recognized financing costs related to the financing of CRDC Plymouth's land purchase and building construction ("2006 Financing") totaling \$151,642. The 2006 Financing matured during 2014. Accumulated amortization as of June 30, 2013 was \$149,711. Amortization expense associated with the 2006 Financing included in interest expense was \$1,931 and \$21,653 for the years ended June 30, 2014 and 2013, respectively.

In August 2013, the Organization recognized financing costs related to the mortgaging of its Plymouth facility totaling \$49,015. The obligation has a term of 240 months and matures in August 2033. Accumulated amortization and amortization expense included in interest expense as of and for the year ended June 30, 2014 was \$2,247.

In August 2013, the Organization recognized financing costs related to the issuance of a note payable totaling \$6,000. The obligation has a term of 60 months and matures in August 2016. Accumulated amortization and amortization expense included in interest expense as of and for the year ended June 30, 2014 was \$1,833.

#### 8. Other Assets:

Included in other assets are capitalized legal fees related to the rental agreement and potential purchase of the building the Organization currently occupies in the amount of \$9,163. Amortization expense related to the capitalized fees for the years ended June 30, 2014 and 2013 was \$916. Accumulated amortization was \$7,328 and \$6,412 as of June 30, 2014 and 2013, respectively.

#### 9. Line of Credit:

The Organization had an available line of credit with a maximum borrowing amount of \$100,000 as of June 30, 2014. The line carries an interest rate equal to 5.25% (prime plus 2%). The line is secured by all business assets. The line was not drawn upon as of June 30, 2014 and 2013.

#### 10. Long-Term Debt:

In August 2006, CRDC Plymouth entered into certain long-term debt arrangements to purchase land in Plymouth, New Hampshire and finance the construction of a 19,500 square foot operating facility that houses a substantial portion of the Organization's operations, providing medical services to the underserved community in the Plymouth, New Hampshire region. Details of the project financing follow.

During 2013, MSHC entered into two debt arrangements with Woodsville Guarantee Savings Bank to purchase land in Bristol, New Hampshire and finance the construction of a new facility for operations. During 2014, the Organization refinanced the Woodsville Guarantee Savings notes payable with a construction loan. The new loan had an advancement amount of up to \$2,700,000, with 23 interest only payments commencing in October 2013 at a rate of 5% and a balloon payment due September 2015 for all unpaid principal and accrued unpaid interest. Details of the project financing follow.

## MID-STATE HEALTH CENTER AND SUBSIDIARY

### Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

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#### 10. Long-Term Debt (continued):

Long-term debt consisted of the following at June 30:

	<u>2014</u>	<u>2013</u>
CCML Investment Fund II, LLC note payable, maturing August 2013, referred to as the "CRDC Plymouth Loan 1", principal and interest payable in 85 monthly installments of \$5,253 through August 1, 2013, CRDC Plymouth is required to refinance the then outstanding unpaid principal as of August 4, 2013, interest is charged at a rate of 5.514% (see Note 10a).	\$ -	\$ 958,589
CCML Investment Fund II, LLC note payable, maturing August 2013, referred to as the "CRDC Plymouth Loan 2", principal and interest payable in 85 monthly installments of \$9,440 through August 1, 2013, CRDC Plymouth is required to refinance the then outstanding unpaid principal as of August 4, 2013, interest is charged at a rate of 5.514% (see Note 10a).	-	1,722,548
CCML Investment Fund II, LLC note payable, maturing August 2013, referred to as the "CRDC Plymouth Loan 3", principal and interest payable in 227 monthly installments of \$2,646 through July 1, 2026, CRDC Plymouth is required to refinance the then outstanding unpaid principal as of August 1, 2016, interest is charged at a rate of 5.514% (see Note 10b).	-	482,770
NH Electric Cooperative, Inc. interest free note payable, maturing September 2013, principal payable in 72 monthly installments of \$2,083 through August 1, 2013, and one lump sum payment of \$203,750 on September 1, 2013 (see Note 10c).	-	210,000
Capital Regional Development Council note payable, maturing September 2013, principal and interest payable in 36 monthly installments of \$2,842 through September 23, 2013. Interest is charged at a rate of 5%.	-	8,467
Woodsville Guarantee Savings Bank note payable, principal and interest payable in 288 monthly installments of \$941. Interest is charged at a rate of 4.25%. The note was repaid in full during 2014.	-	149,560
Woodsville Guarantee Savings interim note payable, principal and interest payable in three monthly installments of \$50,033 interest is charged at a rate of 5.5%. The note was repaid in full during 2014.	-	150,100

## MID-STATE HEALTH CENTER AND SUBSIDIARY

### Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

**10. Long-Term Debt (continued):**

	<u>2014</u>	<u>2013</u>
Woodsville Guarantee Savings Bank note payable, maturing September 2015, 23 interest only payments at a rate of 5%, 1 balloon payment of principal and accrued unpaid interest (see Note 10d).	2,110,002	-
Woodsville Guarantee Savings Bank note payable, maturing August 2033, principal and interest payable in 240 monthly installments of \$18,194 through August 2033. Interest is charged at a rate of 5.25% (see Note 10a).	2,634,916	-
Woodsville Guarantee Savings Bank note payable, maturing August 2018, principal and interest payable in 60 monthly installments of \$3,757 through August 2018. Interest is charged at a rate of 4% (see Note 10b).	172,765	-
Capital Regional Development Council note payable, maturing August 2016, 36 interest only payments at a rate of 6%, Pending compliance with provisions of the loan agreement The outstanding principle of the note will be forgiven in August 2016.	<u>250,000</u>	<u>-</u>
Total debt	5,167,683	3,682,034
Less: current portion	<u>120,827</u>	<u>113,926</u>
Long-term debt, less current portion	<u>\$ 5,046,856</u>	<u>\$ 3,568,108</u>

10a In August 2013, the Organization refinanced the CCML Investment Fund II, LLC CRDC Plymouth loans 1 and 2 with Woodsville Guarantee Savings Bank by entering into a \$2,700,000 first mortgage note payable, "WGSB Loan 1", principal and interest payable in 240 monthly installments of \$18,194, maturing August 2033, interest charged at a rate of 5.25%.

10b In August 2013, the CCML Investment Fund II, LLC contributed its interest in the outstanding balance on the CRDC Plymouth Loan 3 to MSHC resulting in contribution income of \$482,417.

10c In August 2013, the Organization refinanced the NH Electric Cooperative, Inc. note payable with Woodsville Guarantee Savings Bank. The new \$204,000 note, "WGSB Loan 2", matures August 2018, principal and interest payable in 60 monthly installments of \$3,757 and interest charged at a rate of 4.0%. The WGSB Loan 2 is secured by a second mortgage against the Organization's Plymouth Facility.

10d In September 2013, the Organization refinanced the Woodsville Guarantee Savings Bank interim note payable with a construction loan. The new loan had an advancement amount of up to \$2,700,000, and called for interest only payments at a rate of 5% beginning October 2013, for 23 consecutive months, and 1 balloon payment of principal and accrued unpaid interest due September 2015. Advances on the construction loan totaled \$2,110,002.

## MID-STATE HEALTH CENTER AND SUBSIDIARY

### Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

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#### 10. Long-Term Debt (continued):

Future maturities of long-term debt are as follows as of June 30, 2014:

2015	\$	120,827
2016		2,236,820
2017		383,110
2018		139,720
2019		108,525
Thereafter		<u>2,178,681</u>
	\$	<u>5,167,683</u>

#### 11. Capital Lease Obligations:

The Organization has entered into capital lease obligations on certain equipment. The terms of the leases are between three and four years expiring at various times through 2016. Accordingly, the Organization has recorded the transactions as capital lease obligations. For the years ended June 30, 2014 and 2013, amortization expense totaling \$6,658 and \$7,768, respectively, was included in depreciation and amortization expense. The cost basis of all equipment under capital leases was \$23,968 as of June 30, 2014 and 2013.

The following is a schedule, by year, of future minimum lease payments under the capital leases as of June 30, 2014:

2015	\$	7,581
2016		<u>2,754</u>
Total minimum lease payments		10,335
LESS: Amount representing interest		<u>621</u>
Present value of minimum lease payments		9,714
LESS: Current portion		<u>7,581</u>
Long-term capital lease obligations	\$	<u>2,133</u>

#### 12. Commitments and Contingencies:

Litigation – The Organization is involved in litigation arising in the ordinary course of business. Prior to July 1, 2009, the Organization and two former employees of the Organization had been jointly named, alongside a related party, in a malpractice and wrongful death lawsuit. As of June 30, 2014, the outcome and potential liability in relation to the suit were unknown. Management believes the Organization is not at material risk of loss related to the suit and as such has not provided for an estimate of loss.

##### Operating Leases:

Speare Memorial Hospital – The Organization leases office space from Speare Memorial Hospital (SMH). Rent expense related to the lease for the years ended June 30, 2014 and 2013 was \$31,815 and \$31,296, respectively

## MID-STATE HEALTH CENTER AND SUBSIDIARY

### Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

#### 12. Commitments and Contingencies (continued):

Prior to November 15, 2003, Mid-State Health Center (MSHC), formerly known as Speare Medical Associates, was a subsidiary of SMH. Effective November 15, 2003, the Board of Directors of SMH approved a resolution to relinquish control of MSHC to allow MSHC the opportunity to apply for FQHC status to enhance their ability to provide health services to the population of the community. SMH has provided financial assistance to MSHC over the years, including working capital grants and a loan. For the years ended June 30, 2014 and 2013, SMH provided community benefit grants of \$228,000, by varying monthly cash receipts in addition to foregoing collection of certain outstanding payables, primarily related to the monthly rental payments and operating expenses.

Speare Memorial Hospital – The Organization has an outstanding balance on a line of credit provided by SMH of \$75,000. The funds were initially advanced to establish a lease deposit account with CRDC Plymouth on behalf of the Organization. The line calls for interest at the greater of 2% or the interest earned on the deposit account. The line was repaid subsequent to June 30, 2014 (see Note 18).

#### 13. Concentration of Credit Risk:

The Organization grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows at June 30:

	<u>2014</u>	<u>2013</u>
Medicare	29.2%	31.0%
Medicaid	14.0%	9.8%
Blue Cross	15.7%	11.8%
Patients	17.2%	20.5%
Other third-party payors	<u>23.9%</u>	<u>26.9%</u>
	<u>100.0%</u>	<u>100.0%</u>

The mix of gross patient service revenue from patients and third-party payors was as follows at June 30:

	<u>2014</u>	<u>2013</u>
Medicare	35.5%	34.4%
Medicaid	9.9%	9.8%
Blue Cross	21.5%	22.2%
Patients	9.9%	10.4%
Other third-party payors	<u>23.2%</u>	<u>23.2%</u>
	<u>100.0%</u>	<u>100.0%</u>

#### 14. Retirement Program:

During 2007, the Organization adopted a tax sheltered annuity plan under 403(b) of the Code for eligible employees. Eligible employees are specified as those who normally work more than 20 hours per week and are not classified as independent contractors. The Organization provides for matching of employee contributions, 50% of the first 6% contributed. Contributions to the plan for the years ended June 30, 2014 and 2013 were \$80,322 and \$72,303, respectively.

## MID-STATE HEALTH CENTER AND SUBSIDIARY

### Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

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#### 15. Other Operating Revenue:

The following summarizes components of other operating revenue for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Other operating revenue:		
Montessori Center	\$ 130,721	\$ 134,628
Pharmacy income - 340B	940,488	563,389
Accountable Care Organization	112,375	115,740
Other operating revenue	<u>165,509</u>	<u>116,799</u>
	<u>\$ 1,349,093</u>	<u>\$ 930,556</u>

During April 2012, the Organization began participating in the first Medicare Shared Savings Program, sponsored by the Center for Medicare Services (CMS). The North Country Accountable Care Organization (ACO) was designated by CMS to be a beneficiary in the program, of which the Organization is involved in a collaborative relationship. The ACO aims to create financial incentives for physicians, hospitals and other healthcare providers to better coordinate care and improve the health of Medicare beneficiaries while lowering their costs. The funds available for the program are distributed to the ACO based upon an agreed-upon amount; the ACO then distributes to the participants based upon need. For the period of April 2012 to June 2014, the Organization received funds from the ACO based on a pre-determined amount of \$6 per patient per month basis. The Organization has not been notified of available funding for the program for period beginning after June 30, 2014.

#### 16. Health Insurance:

The Organization offers health insurance benefits to all employees under available Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) plans. Deductibles under the HMO and PPO plans in aggregate are \$2,500 and \$3,000, respectively. The Organization is obligated to pay a certain portion of the deductible required under either plan once the employee's portion has been fully exhausted. For the HMO and PPO plans, the maximum portion of the deductible the Organization is potentially obligated for is \$500 and \$1,000, respectively. The total deductible expense incurred during the years ended June 30, 2014 and 2013 was \$5,206 and \$7,846, respectively.

The Organization provides for an accrual based on the aggregate amount of the liability for reported claims and an estimated liability for claims incurred but not yet reported. At June 30, 2014 and 2013, "accrued expenses and other current liabilities" include an accrued liability related to these plans of \$8,600.

#### 17. Related Party:

During 2011, the Organization was gifted a sole membership interest in CRDC Plymouth (see Note 1). As a result of the gift, management of the Organization was required to determine the fair value of the underlying assets gifted to and liabilities assumed by the Organization and determine if the transaction contained a differential from the existing book values as of the date of the gift.

Management utilized valuation techniques for medical office space to determine an estimated fair value per square foot resulting in a differential attributed to the building in the amount of \$847,145. The differential will be amortized over the life of the building asset it was attributed to. Amortization related to the differential for both years ended June 30, 2014 and 2013 was \$23,104, included in depreciation and amortization in the consolidated statement of activities.

## MID-STATE HEALTH CENTER AND SUBSIDIARY

### Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

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**18. Subsequent Events:**

The Organization has reviewed events occurring after June 30, 2014 through November 13, 2014, the date the board of trustees accepted the final draft of the consolidated financial statements and made them available to be issued. The Organization has not identified events requiring disclosure that have occurred between the period of June 30, 2014 and the report date, November 13, 2014. The Organization has not reviewed events occurring after the report date for their potential impact on the information contained in these consolidated financial statements.

In July 2014, the Organization repaid its outstanding line of credit of \$75,000 to SMH.

In August 2014, the Organization received an adjustment in the amount of \$66,617 to its original HRSA grant award of \$812,500. The adjustment is applicable for the original budget period of November 2013 through January 2015.

In August 2014, the Organization received an expanded service adjustment to its original HRSA grant award of \$812,500. The adjustment is applicable for the budget period of November 2013 through January 2015.

In October 2014, the Organization received an adjustment in the amount of \$72,728 to its original HRSA grant award of \$812,500. The adjustment is applicable for the budget period of November 2014 through October 2015.



**MID-STATE HEALTH CENTER**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2014**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Entity or Award Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
Consolidated Health Centers	93.224	H80CS26640-01-03	\$ 433,333
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	D04RH23600-01-00	157,264
			<u>590,597</u>
<b>Pass-Through from N.H. Department of Health and Human Services:</b>			
Grant to States to Support Oral Health Workforce Activities	93.236	22-3061156	124,368
Public Health Emergency Preparedness	93.069		64,942
Block Grants for Prevention and Treatment of Substance Abuse	93.959		65,380
Immunization Cooperative Agreements	93.268		10,500
Maternal and Child Health Services Block Grant to the States	93.994		<u>23,376</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 879,163</u>

The accompanying notes to financial statements are an integral part of this schedule.

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**MID-STATE HEALTH CENTER**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2014**

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**1. Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of MSHC under programs of the federal government for the year ended June 30, 2014.

The information in the schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Since the schedule presents only a selected portion of the operations of MSHC, it is not intended to and does not present the statement of financial position, statement of activities and changes in net assets or cash flows of MSHC.

**2. Significant Accounting Policies:**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Schedule includes Catalog of Federal Domestic Assistance (CFDA) and pass-through award numbers when available.



TYLER, SIMMS & ST. SAUVEUR, P.C.  
Certified Public Accountants & Business Consultants

Report 1

**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 Trustees of  
Mid-State Health Center:

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 Mid-State Health Center ("MSHC") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 13, 2014.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered MSHC'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MSHC's internal control. Accordingly, we do not express an opinion on the effectiveness of MSHC'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.

**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* (continued)**

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies, 2014-001 and 2014-002.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether MSHC'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002.

We noted certain other matters that we reported to management of MSHC in a separate letter dated November 13, 2014.

***Mid-State Health Center's Response to Findings***

MSHC's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. MSHC's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Tyler, Simms and St. Laurent, CPAs, P.C.*

Lebanon, New Hampshire  
November 13, 2014



TYLER, SIMMS & ST. SAUVEUR, P.C.  
Certified Public Accountants & Business Consultants

Report 2

## **Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by *OMB Circular A-133***

To the Board of Trustees of  
Mid-State Health Center:

### ***Report on Compliance for Each Major Federal Program***

We have audited Mid-State Health Center's ("MSHC") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of MSHC's major federal programs for the year ended June 30, 2014. MSHC'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.

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

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

**Independent Auditors' Report on Compliance for Each Major Program and on  
Internal Control Over Compliance Required by OMB Circular A-133  
(continued)**

***Opinion on Each Major Federal Program***

In our opinion, MSHC 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, 2014.

***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-002. Our opinion on each major federal program is not modified with respect to this matter.

MSHC's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. MSHC's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

***Report on Internal Control Over Compliance***

Management of MSHC 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 MSHC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of MSHC'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.

**Independent Auditors' Report on Compliance for Each Major Program and on  
Internal Control Over Compliance Required by *OMB Circular A-133*  
(continued)**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-002, that we consider to be a significant deficiency.

MSHC's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. MSHC's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*Tyler, Lemus and St. Laurent, CPAs, P.C.*

Lebanon, New Hampshire  
November 13, 2014

**MID-STATE HEALTH CENTER**  
**Schedule of Findings and Questioned Costs**  
 As of and For the Year Ended June 30, 2014

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued *Unmodified*

Internal control over financial reporting:

Material weakness identified        Yes   X   No

Significant deficiencies identified that are not considered to be material weaknesses   X   Yes        None reported

Non-compliance material to financial statements noted        Yes   X   No

**Federal Awards**

Internal control over major programs:

Material weakness identified        Yes   X   No

Significant deficiencies identified that are not considered to be material weaknesses   X   Yes        None reported

Type of auditors' report issued on compliance for major programs *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133        Yes   X   No

Identification of major programs:

<u>Federal CFDA Number</u>	<u>Name of Federal/Local Program</u>
93.224	Consolidated Health Centers
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs \$300,000

Auditee qualified as low-risk auditee?        Yes   X   No



**MID-STATE HEALTH CENTER**  
**Schedule of Findings and Questioned Costs (continued)**  
As of and For the Year Ended June 30, 2014

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**SECTION II - SUMMARY OF AUDITORS' RESULTS**

**2014-001**

**Criteria:** There should be a patient accounts receivable credit balance policy, to ensure proper handling of patient overpayments and compliance with New Hampshire's abandoned property rules.

**Condition:** There is no patient accounts receivable credit balance policy and the credit balances are significant.

**Context:** Patient accounts receivable credit balances were observed in the aging, totaled and compared to the overall financial statements. Management was asked if a credit balance policy existed.

**Effect:** MSHC has significant amounts owed to patients or third parties and may not be complying with New Hampshire's abandoned property rules.

**Cause:** Due to the size of the accounting department, it has been difficult over the past year to bring the credit balance down to a reasonable balance.

**Recommendation:** MSHC should adopt a credit balance policy and implement procedures to monitor and control accounts receivable credit balances.

**Views of responsible officials and planned corrective actions:** MSHC will monitor new credit balances and will review old credit balances in accounts receivable in order to determine those credit balances requiring refund to a patient or third party payor.

**2014-002**

**Criteria:** There should be segregation of duties.

**Condition:** Many critical duties are combined and given to available employees.

**Context:** Inquiry of management of the internal controls in place.

**Effect:** Lack of segregation of duties causes checks and balances to be lost and does not allow for the best control environment possible.

**Cause:** There are limited number of people working in the accounting office.

**Recommendation:** Duties should be segregated, however, we understand that the Entity's resources are limited. The Entity should maintain a general understanding that, wherever possible, additional controls should be implemented to mitigate the risk of error in the financial statements.

**Views of responsible officials and planned corrective actions:** MSHC hired a second bookkeeper subsequent to year-end in order to segregate more duties. A policy will also be created for the approval process of any journal entries made by the CFO to be approved by the finance committee.

**MID-STATE HEALTH CENTER**  
**Schedule of Findings and Questioned Costs (continued)**  
As of and For the Year Ended June 30, 2014

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**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

2014-002

See finding 2014-002 under Section II - Summary of Auditors' Results

**SECTION IV - PRIOR YEAR AUDIT FINDINGS**

2013-001

Criteria: The patient accounts receivable aging and subsidiary ledgers must agree to the general ledger.

Condition: The auditee now reconciles all patient accounts receivable aging and subsidiary ledgers to the general ledger.

2013-002 Repeated as 2014-001

2013-003 Repeated as 2014-002

**MID-STATE HEALTH CENTER AND SUBSIDIARY**  
**Consolidating Statement of Financial Position – Assets – Schedule I**  
As of June 30, 2014

	<u>MSHC</u>	<u>CRDC</u>	<u>ELIMINATION</u>	<u>TOTAL</u>
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 513,927	\$ 513,840	\$ -	\$ 1,027,767
Patient accounts receivable, net	564,515	-	-	564,515
Estimated third-party settlements	50,000	-	-	50,000
Grants and state contracts receivable	972,793	-	-	972,793
Prepaid expenses and other receivable	397,517	-	(21,917)	375,600
<b>Total current assets</b>	<u>2,498,752</u>	<u>513,840</u>	<u>(21,917)</u>	<u>2,990,675</u>
<b>Related party note receivable</b>	<u>568,885</u>	<u>150,723</u>	<u>(719,608)</u>	<u>-</u>
<b>Property and equipment, net</b>	<u>2,799,557</u>	<u>3,031,043</u>	<u>760,505</u>	<u>6,591,105</u>
<b>Other assets</b>				
Deferred financing costs	9,530	50,935	-	60,465
Other assets	122,212	-	(120,377)	1,835
Investment in subsidiary	760,505	-	(760,505)	-
<b>Total other assets</b>	<u>892,247</u>	<u>50,935</u>	<u>(880,882)</u>	<u>62,300</u>
<b>Total assets</b>	<u>\$ 6,759,441</u>	<u>\$ 3,746,541</u>	<u>\$ (861,902)</u>	<u>\$ 9,644,080</u>

**MID-STATE HEALTH CENTER AND SUBSIDIARY**  
**Consolidating Statement of Financial Position – Liabilities and Net Assets – Schedule 1**  
As of June 30, 2014

	MSHC	CRDC	ELIMINATION	TOTAL
<b>Liabilities</b>				
<b>Current liabilities</b>				
Line of credit - SMH (Note 12)	\$ 75,000	-	-	\$ 75,000
Accounts payable	393,737	15,327	(15,327)	393,737
Construction payable	221,468	-	-	221,468
Accrued expenses and other current liabilities	52,046	43,968	(6,590)	89,424
Accrued payroll and related expenses	132,025	-	-	132,025
Accrued earned time	261,041	-	-	261,041
Current portion of long-term debt	-	120,827	-	120,827
Current portion of capital lease obligations	7,581	-	-	7,581
Deferred grants and state contract revenue	768,760	-	-	768,760
Total current liabilities	<u>1,911,658</u>	<u>180,122</u>	<u>(21,917)</u>	<u>2,069,863</u>
Lease deposits	-	120,377	(120,377)	-
Related party note payable	150,723	568,885	(719,608)	-
Long-term debt, less current portion	2,110,002	2,936,854	-	5,046,856
Capital lease obligations, less current portion	2,133	-	-	2,133
Total liabilities	<u>4,174,516</u>	<u>3,806,238</u>	<u>(861,902)</u>	<u>7,118,852</u>
<b>Net assets</b>				
Unrestricted	1,774,420	(59,697)	-	1,714,723
Temporarily restricted	810,505	-	-	810,505
Total net assets	<u>2,584,925</u>	<u>(59,697)</u>	<u>-</u>	<u>2,525,228</u>
Total liabilities and net assets	<u>\$ 6,759,441</u>	<u>\$ 3,746,541</u>	<u>\$ (861,902)</u>	<u>\$ 9,644,080</u>

**MID-STATE HEALTH CENTER AND SUBSIDIARY**  
**Consolidating Statement of Activities and Changes in Net Assets – Schedule 2**  
**For the Year Ended June 30, 2014**

	<u>MSHC</u>	<u>CRDC</u>	<u>ELIMINATION</u>	<u>TOTAL</u>
<b>Changes in unrestricted net assets</b>				
Unrestricted revenue, gains and other support				
Patient service revenue (net of contractual allowances and discounts)	\$ 5,300,033	-	-	\$ 5,300,033
Provision for bad debts	348,130	-	-	348,130
Net patient service revenue	4,951,903	-	-	4,951,903
Community Benefit Grant	228,000	-	-	228,000
Other grant and state contract revenue	1,136,271	-	-	1,136,271
Contributions	499,298	-	-	499,298
Other operating revenue	1,348,757	378,450	(378,114)	1,349,093
Total unrestricted revenue, gains and other support	8,164,229	378,450	(378,114)	8,164,565
Expenses				
Salaries and wages	4,129,562	-	-	4,129,562
Employee benefits	832,921	-	-	832,921
Insurance	103,535	-	-	103,535
Professional fees	440,590	6,615	-	447,205
Supplies and expenses	1,451,550	72,243	(378,114)	1,145,679
Depreciation and amortization	68,073	80,601	23,104	171,778
Interest expense	7,423	153,400	-	160,823
Total expenses	7,033,654	312,859	(355,010)	6,991,503
Increase (decrease) in net assets from operating activities	1,130,575	65,591	(23,104)	1,173,062
Non-operating gains (losses)				
Loss on disposal of fixed assets	(1,358)	-	-	(1,358)
Gain on involuntary conversion	-	-	-	-
Loss on investment in subsidiary	(23,104)	-	23,104	-
Net assets released from restrictions used for property and equipment	23,104	-	-	23,104
Total non-operating gains (losses)	(1,358)	-	23,104	21,746
Increase in unrestricted net assets	1,129,217	65,591	-	1,194,808
<b>Changes in temporarily restricted net assets</b>				
Contributions	50,000	-	-	50,000
Net assets released from restrictions	(23,104)	-	-	(23,104)
Increase in temporarily restricted net assets	26,896	-	-	26,896
Change in net assets	1,156,113	65,591	-	1,221,704
<b>Net assets (deficit), beginning of year</b>	1,428,812	(125,288)	-	1,303,524
<b>Net assets (deficit), end of year</b>	\$ 2,584,925	\$ (59,697)	\$ -	\$ 2,525,228

**MID-STATE HEALTH CENTER AND SUBSIDIARY**  
**Consolidating Statement of Financial Position – Assets – Schedule 3**  
**As of June 30, 2013**

	<u>MSHC</u>	<u>CRDC</u>	<u>ELIMINATION</u>	<u>TOTAL</u>
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 393,225	\$ 378,080	\$ -	\$ 771,305
Patient accounts receivable, net	389,029	-	-	389,029
Estimated third-party settlements	35,000	-	-	35,000
Community benefit grant receivable	-	-	-	-
Grants and state contracts receivable	391,025	-	-	391,025
Prepaid expenses and other receivable	226,821	21,094	(38,863)	209,052
<b>Total current assets</b>	<u>1,435,100</u>	<u>399,174</u>	<u>(38,863)</u>	<u>1,795,411</u>
<b>Related party note receivable</b>	<u>74,601</u>	-	<u>(74,601)</u>	-
<b>Property and equipment, net</b>	<u>574,930</u>	<u>3,111,644</u>	<u>783,609</u>	<u>4,470,183</u>
<b>Other assets</b>				
Deferred financing costs	-	1,931	-	1,931
Deposits and other assets	122,901	-	(120,150)	2,751
Investment in subsidiary	783,609	-	(783,609)	-
Total other assets	<u>906,510</u>	<u>1,931</u>	<u>(903,759)</u>	<u>4,682</u>
<b>Total assets</b>	<u>\$ 2,991,141</u>	<u>\$ 3,512,749</u>	<u>\$ (233,614)</u>	<u>\$ 6,270,276</u>

**MID-STATE HEALTH CENTER AND SUBSIDIARY**  
**Consolidating Statement of Financial Position – Liabilities and Net Assets – Schedule 3**  
**As of June 30, 2013**

	<u>MSHC</u>	<u>CRDC</u>	<u>ELIMINATION</u>	<u>TOTAL</u>
<b>Liabilities and net assets</b>				
Current liabilities				
Line of credit - SMH (Note 12)	\$ 75,000	-	-	\$ 75,000
Accounts payable	312,129	11,179	(11,179)	312,129
Construction payable	34,955	-	-	34,955
Accrued expenses and other current liabilities	64,835	49,734	(27,684)	86,885
Accrued payroll and related expenses	179,785	-	-	179,785
Accrued earned time	256,704	-	-	256,704
Current portion of long-term debt	825	113,101	-	113,926
Current portion of capital lease obligations	6,628	-	-	6,628
Deferred grants and state contract revenue	322,871	-	-	322,871
Total current liabilities	<u>1,233,732</u>	<u>174,014</u>	<u>(38,863)</u>	<u>1,388,883</u>
Lease deposits	-	120,150	(120,150)	-
Related party note payable	-	74,601	(74,601)	-
Long-term debt, less current portion	298,836	3,269,272	-	3,568,108
Capital lease obligations, less current portion	9,761	-	-	9,761
Total liabilities	<u>1,562,329</u>	<u>3,638,037</u>	<u>(233,614)</u>	<u>4,966,752</u>
<b>Net assets</b>				
Unrestricted	645,203	(125,288)	-	519,915
Temporarily restricted	783,609	-	-	783,609
Total net assets	<u>1,428,812</u>	<u>(125,288)</u>	<u>-</u>	<u>1,303,524</u>
Total liabilities and net assets	<u>\$ 2,991,141</u>	<u>\$ 3,512,749</u>	<u>\$ (233,614)</u>	<u>\$ 6,270,276</u>

**MID-STATE HEALTH CENTER AND SUBSIDIARY**  
**Consolidating Statement of Activities and Changes in Net Assets – Schedule 4**  
**For the Year Ended June 30, 2013**

	MSHC	CRDC	ELIMINATION	TOTAL
<b>Changes in unrestricted net assets</b>				
Unrestricted revenue, gains and other support				
Patient service revenue (net of contractual allowances and discounts)	\$ 5,414,241	\$ -	\$ -	\$ 5,414,241
Provision for bad debts	367,681	-	-	367,681
Net patient service revenue	5,046,560	-	-	5,046,560
Community Benefit Grant	228,000	-	-	228,000
Other grant and state contract revenue	387,597	-	-	387,597
Contributions	16,164	-	-	16,164
Other operating revenue	930,219	366,822	(366,485)	930,556
Total unrestricted revenue, gains and other support	6,608,540	366,822	(366,485)	6,608,877
<b>Expenses</b>				
Salaries and wages	3,952,342	-	-	3,952,349
Employee benefits	845,074	-	-	845,074
Insurance	98,084	-	-	98,084
Professional fees	304,847	6,590	-	311,437
Supplies and expenses	1,308,558	61,046	(366,485)	1,003,119
Depreciation and amortization	80,156	80,601	23,104	183,861
Interest expense	4,135	215,231	-	219,366
Total expenses	6,593,203	363,468	(343,381)	6,613,290
Increase (decrease) in net assets from operating activities	15,337	3,354	(23,104)	(4,413)
<b>Non-operating gains (losses)</b>				
Gain on disposal of fixed assets	959	-	-	959
Loss on investment in subsidiary	(23,104)	-	23,104	-
Net assets released from restrictions used for property and equipment	23,104	-	-	23,104
Total non-operating gains (losses)	959	-	23,104	24,063
Increase in unrestricted net assets	16,296	3,354	-	19,650
<b>Changes in temporarily restricted net assets</b>				
Net assets released from restrictions	(23,104)	-	-	(23,104)
Decrease in temporarily restricted net assets	(23,104)	-	-	(23,104)
Change in net assets	(6,808)	3,354	-	(3,454)
<b>Net assets (deficit), beginning of year</b>	1,435,620	(128,642)	-	1,306,978
<b>Net assets (deficit), end of year</b>	\$ 1,428,812	\$ (125,288)	\$ -	\$ 1,303,524





*Where your care comes together.*

Family, Internal and Pediatric Medicine • Behavioral Health Services

[www.midstatehealth.org](http://www.midstatehealth.org)

**Mid-State Health Center  
Board of Directors  
2015-2016**

Carol Bears	Voting Member	Term Exp: 6/30/18
Ann Blair	<b>Secretary</b>	Term Exp: 6/30/18
Mary Cooney	Voting Member	Term Exp: 6/30/16
James Dalley	Voting Member	Term Exp: 6/30/16
Linda Dauer	<b>Vice President</b>	Term Exp: 6/30/16
Robin Fisk	Voting Member	Term Exp: 6/30/17
Robert MacLeod	<b>President</b>	Term Exp: 6/30/16
Timothy Naro	<b>Treasurer</b>	Term Exp: 6/30/17
Scott Stephens	Voting Member	Term Exp: 6/30/17
Jeff White	Voting Member	Term Exp: 6/30/18

Non-Voting Members:

**Diane Arsenault**, MD, FAAFP, Physician  
**Tonya Warren**, PsyD, Behavioral Health Director  
**Frederick S. Kelsey**, MD, FACP, Chief Medical Officer  
**Sharon Beaty**, MBA, FACMPE, Chief Executive Officer

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**Plymouth Office:** 101 Boulder Point Drive • PH (603) 536-4000 • FAX (603) 536-4001

**Bristol Office:** 100 Robie Rd • PH (603) 744-6200 • FAX (603) 744-9024

**Mailing Address:** 101 Boulder Point Drive • Suite 1 • Plymouth, NH 03264

PROFESSIONAL QUALIFICATIONS

- NH Board of Dental Examiners, License #04099
- National Board Dental Examination Part I & II
- Western Regional Examining Board (WREB)
- CPR/BLS certified

EDUCATION

- UCSF School of Dentistry – San Francisco, CA  
General Practice Residency, 2011-2012
- Tufts University School of Dental Medicine – Boston, MA  
D.M.D., 2007-2011
- University of Massachusetts, Amherst – Amherst, MA  
B.S. Kinesiology, 2002-2006

PROFESSIONAL EXPERIENCE

- **Dental Director, Mid-State Health Center, 2014-present**  
Director of the oral health program at a Federally Qualified Health Center in Central NH. Supervises dental staff and serves as liaison with Management Team and Board of Directors. General dentist providing comprehensive oral health care to patients of all ages, including medically compromised, elderly, pediatric and patients with special needs.
- **Staff Dentist, Redwoods Rural Health Center, 2012-2014**  
Comprehensive, preventative and emergency dental care at a Federally Qualified Health Center in rural Northern California.
- **General Practice Residency – UCSF School of Dentistry, 2011-2012**  
*Comprehensive General Dentistry* including molar endo, implant –supported restorations, biopsies, fixed and removable prosthodontics.  
*Hospital Dentistry:* Management of medically complex patients, elderly patients and hospital inpatients with on-call responsibility for dental clinics and medical center emergency department.  
*Special Care Dentistry:* Treatment of patients with special needs in the outpatient and operating room setting.
- **Anesthesia – UCSF Medical Center, 2012**  
Experience in conscious sedation and general anesthesia including IV placement, induction, intubation, airway management and peri-operative monitoring.
- **Oral and Maxillofacial Surgery – San Francisco General Hospital, 2011**  
Dentoalveolar surgery including impacted third molars and alveoloplasty. Management of trauma and acute infections.
- **General Dentistry Externship, Chicopee Health Center, 2010**  
Comprehensive general dentistry in a community health center for patients with limited access to care in western Massachusetts.

COMMUNITY SERVICE

- **Community Dental Clinic – UCSF School of Dentistry, 2012**  
Volunteer supervisor of 10-20 dental students providing comprehensive dental care to homeless patients from San Francisco.
- **Project Homeless Connect – San Francisco, CA, 2011-2012**  
Urgent care, preventative and restorative treatment of homeless patients as part of a city-wide volunteer health care initiative.
- **Project Bridge – Tufts University School of Dental Medicine, 2008-2011**  
Co-director of student-run volunteer dental clinic providing comprehensive care to at-risk youth.

REFERENCES:

[Redacted references]

# KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services

Contractor Name: Mid-State Health Center

Name of Program: Senior Oral Health Program

NAME	POSITION	SALARY	PERCENTAGE
Sharon Beaty	CEO	\$168,000	0.00%
Bill Sweeney	CFO	\$121,100	0.00%
Peggy Rosen	Director of Quality	\$50,500	0.00%
		\$0	0.00%
		\$0	0.00%
<b>TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)</b>			


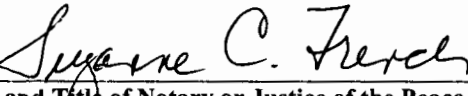
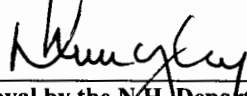
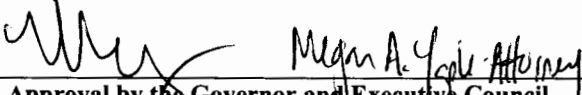
Subject: Senior Oral Health Program

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> Department of Health & Human Services		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301	
<b>1.3 Contractor Name</b> Tri-County Community Action Program, Inc.		<b>1.4 Contractor Address</b> 30 Exchange Street Berlin, NH 03570	
<b>1.5 Contractor Phone Number</b> 603-752-7001	<b>1.6 Account Number</b> 05-95-48-481010-8917-102-500731	<b>1.7 Completion Date</b> September 30, 2016	<b>1.8 Price Limitation</b> \$27,886.
<b>1.9 Contracting Officer for State Agency</b> Eric D. Borrin		<b>1.10 State Agency Telephone Number</b> (603) 271-9558	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> Michael Coughlin Chief Executive Officer	
<b>1.13 Acknowledgement:</b> State of <u>NH</u> , County of <u>COOS</u> 8-4-15 On _____, 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.			
<b>1.13.1 Signature of Notary Public or Justice of the Peace</b> [Seal] 			
<b>1.13.2 Name and Title of Notary or Justice of the Peace</b> Suzanne C. French, Notary		SUZANNE C. FRENCH Notary Public - New Hampshire My Commission Expires June 19, 2018	
<b>1.14 State Agency Signature</b> 		<b>1.15 Name and Title of State Agency Signatory</b> D. Langley Director	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution)</b> By:  Megan A. Goble Attorney On: 8/27/15			
<b>1.18 Approval by the Governor and Executive Council</b> By: _____ On: _____			

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

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

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

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**  
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.  
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.  
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

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

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

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

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

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

**9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

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

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

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

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

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

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

**14. INSURANCE.**

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

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

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

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

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

Contractor Initials: MC  
Date: 8-4-15

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

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

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

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

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

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

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



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**Scope of Services**

**1. SCOPE OF SERVICES:**

1.1. The Contractor will:

1.1.1. Provide dental treatments to adults ages 60 and up who need early or immediate intervention and lack the financial resources for dental treatment, and who reside in any city or town in New Hampshire, as follows:

1.1.1.1. Accept client referrals from the Department;

1.1.1.2. Complete an oral health diagnosis for each client;

1.1.1.3. Diagnose oral health issues and problems and develop a dental treatment plan based on the client's identified oral health and/or treatment needs;

1.1.1.4. Schedule and remind clients of their dental appointments;

1.1.1.5. Perform, with the individual's approval, dental services and treatment in accordance with the Exhibit B-1 Dental Fee Schedule up to a \$2,000 limit per individual patient for the contract period;

1.1.1.6. Follow up with clients to ensure their pain or infection was alleviated after receiving dental treatment(s);

1.1.1.7. Provide client level data in a secure, electronic format as specified by the Department for completion of required reports; and

**2. Licensing Requirements:**

The Contractor will ensure that the dentist(s) performing services under this agreement, including any subcontract agreements, must possess a current dental license issued by the State of New Hampshire Board of Dental Examiners.

**3. Cultural Considerations:**

The Contractor will 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.

**4. Criminal Background Check:**

Contractor shall conduct a New Hampshire criminal background check for a potential applicant for employment or volunteer, funded under this contract.





Exhibit A

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**5. DHHS' Bureau of Elderly and Adult Services' (BEAS) State Registry:**

Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49 Registry, VII, which requires that all employers of programs that are licensed, certified, or funded by the NH Department of Health and Human Services to provide services, submit the name of prospective employees who may have client contact for review against the registry of founded reports of abuse, neglect, and exploitation of incapacitated adults.

**6. Contract Monitoring**

6.1. The Contractor will:

- 6.1.1. Participate in an "on-site review," conducted by the Department, of the records of clients who received dental care and treatment in the program.
- 6.1.2. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.
- 6.1.3. Ensure the Department is provided with access that includes but is not limited to:
  - 6.1.3.1. Data;
  - 6.1.3.2. Financial records;
  - 6.1.3.3. Scheduled access to Contractor work sites/locations/work spaces and associated facilities;
  - 6.1.3.4. Unannounced access to Contractor work sites/locations/work spaces and associated facilities;
  - 6.1.3.5. Scheduled phone access to Contractor principals and staff.

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## Exhibit B

### Method and Conditions Precedent to Payment

1. Price Limitation. This Agreement is one of multiple Agreements that will serve the Senior Oral Health Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
2. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Department shall reimburse the Contractor for actual dental service(s) provided by the contractor to eligible individuals, resulting from referrals made by the Department and in accordance with Exhibit A, Scope of Services.
3. Reimbursement shall be based on the Senior Oral Health Program, Dental Fee Schedule, identified in Exhibit B-1.
4. Reimbursement Limits per Patient. Reimbursement is limited to \$2,000 per patient for during the Agreement period, depending on the availability of funding. Any additional treatment that exceeds the limit per patient shall be at the sole expense of the participating dental practice or clinic.
5. Contract dentists shall complete and submit Dental Claim Forms provided by the Bureau of Elderly and Adult Services for each client, due within 15 days from the date of treatment.  
Dental Claim forms shall be sent to:  
Bureau of Elderly and Adult Services  
Administrator, Community Programs and Long-Term Care  
129 Pleasant Street  
Concord, NH 03301
6. Notwithstanding anything to the contrary herein, the Contractor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State Law, rule or regulation applicable to the services provided, or if the said services have not been satisfactory completed in accordance with the terms and condition of this Agreement.
7. The funding source for this Agreement for Dental Services is 100% federal funds from the Administration for Community Living, Title III, Part D, Disease Prevention and Health Promotion Services, CFDA 93.043. The Contractor agrees to provide the services in Exhibit A, Scope of Services in compliance with funding requirements.
8. The contractor shall have or secure a vendor number with the State of New Hampshire to receive payment from the DHHS.
9. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT). Exceptions to using EFT for payment shall be made upon prior approval of the BEAS Financial Manager or designee.



Exhibit B-1

**NH Bureau of Elderly and Adult Services, Older Adult Oral Health Program (ages 60+)  
Dental Fee Schedule as of February 2015**

Code	Procedure	Fee
D0120	Periodic oral evaluation	41.00
D0140	Limited oral evaluation	60.00
D0210	Intraoral-complete series	96.00
D0220	Intraoral-Periapical 1st film	15.00
D0230	Intraoral-Periapical each additional	10.00
D0270	Bitewings - Xray	17.00
D0272	Bitewings - two films	25.00
D0274	Bitewings - four films	45.00
D0330	Panoramic film	83.00
D2140	Amalgam - 1 surface	150.00
D2150	Amalgam - 2 surface	155.00
D2160	Amalgam - 3 surface	180.00
D2161	Amalgam - 4/4+ surface	200.00
D2330	Resin-1 surface anterior	131.00
D2331	Resin-2 surface anterior	143.00
D2332	Resin-3 surface anterior	147.00
D2335	Resin-4/4+ surface anterior	165.00
D2391	Resin-1 surface posterior	150.00
D2392	Resin-2 surface posterior	155.00
D2393	Resin-3 surface posterior	180.00
D2394	Resin-4/4+ surface posterior	200.00
D4341	Scaling and root planing (per quadrant)	100.00
D4355	Full mouth debridement	90.00
D5110	Complete denture-maxillary	800.00
D5120	Complete denture-mandibular	800.00
D5130	Immediate denture-maxillary	875.00
D5140	Immediate denture-mandibular	875.00
D5211	Maxillary partial-resin base	600.00
D5212	Maxillary partial-resin base	600.00
D5410	Adjust complete denture, maxillary	50.00
D5411	Adjust complete denture, mandibular	50.00
D5421	Adjust partial denture, maxillary	50.00
D5422	Adjust partial denture, mandibular	50.00
D5520	Replace denture teeth	127.00
D5750	Reline complete maxillary denture	244.00
D5751	Reline complete mandibular denture	244.00
D7140	Extraction-erupted/exposed	150.00
D7210	Extraction-surgical-imp bony	225.00
D7240	Removal of Impacted Tooth Tissue	225.00
D7310	Alveoloplasty - per quadrant	275.00
D7472	Removal of torus palatinus Mandibular 2 quadrants	400.00
D5760	Reline maxillary partial denture	99.00
D5761	Reline mandibular partial denture	99.00



**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.



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.
3. Subparagraph 14.1.1 of the General Provisions of this contract, is deleted and the following subparagraph is added:
  - 14.1.1 Comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence with additional general liability umbrella coverage of not less than \$2,000,000.
4. The Department reserves the right to renew the Contract for up to two additional years, subject to the continued availability of funds, satisfactory performance of services and approval by the Governor and Executive Council.



**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.

8-4-15  
Date

Michael Coughlin  
Name: Michael Coughlin  
Title: Chief Executive Officer



**CERTIFICATION REGARDING LOBBYING**

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

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

Programs (indicate applicable program covered):

- \*Temporary Assistance to Needy Families under Title IV-A
- \*Child Support Enforcement Program under Title IV-D
- \*Social Services Block Grant Program under Title XX
- \*Medicaid Program under Title XIX
- \*Community Services Block Grant under Title VI
- \*Child Care Development Block Grant under Title IV

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

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

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

Contractor Name:  
Tri-County Community Action Program, Inc.

8-4-15  
Date

Michael Coughlin  
Name: Michael Coughlin  
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.

8-4-15  
Date

Michael Coughlin  
Name: Michael Coughlin  
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 MC

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.

8-4-15  
Date

Michael Coughlin  
Name: Michael Coughlin  
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 MC





**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.

8-4-15  
Date

Michael Coughlin  
Name: Michael Coughlin  
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 (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 & Human Services  
The State

[Signature]  
Signature of Authorized Representative

[Signature]  
Name of Authorized Representative

Director  
Title of Authorized Representative

8/11/15  
Date

Tri-County Community Action Program, Inc.  
Name of the Contractor

[Signature]  
Signature of Authorized Representative

Michael Coughlin  
Name of Authorized Representative

Chief Executive Officer  
Title of Authorized Representative

8-4-15  
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.

8-4-15  
Date

Michael Coughlin  
Name: Michael Coughlin  
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: 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?

X  NO                      \_\_\_\_\_ YES

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

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

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

\_\_\_\_\_ NO                      \_\_\_\_\_ YES

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

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

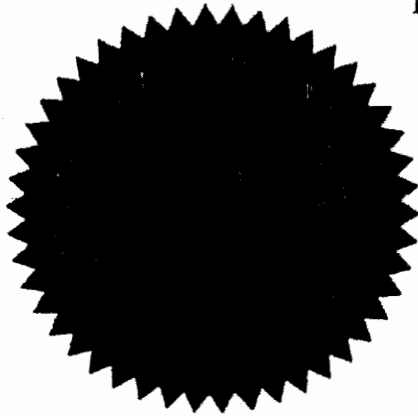
4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

State of New Hampshire  
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. (TRI-COUNTY CAP) is a New Hampshire nonprofit corporation formed May 8, 1965. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 1<sup>st</sup> day of April, A.D. 2015

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 9-23-2014:

(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 August, 2015.

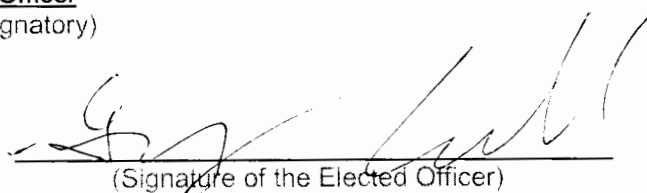
(Date Contract Signed)

4. Michael Coughlin 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 4th day of August, 2015,

By Gary Coulombe.

(Name of Elected Officer of the Agency)

**SUZANNE C. FRENCH**  
Notary Public - New Hampshire  
My Commission Expires June 19, 2018



(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 6-19-18



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
8/4/2015

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

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

PRODUCER <b>FIAI/Cross Insurance</b> 1100 Elm Street  Manchester NH 03101		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>	
		INSURER(S) AFFORDING COVERAGE	NAIC #
		INSURER A: <b>Arch Ins Co</b>	<b>11150</b>
INSURED <b>Tri-County Community Action Program, Inc</b> 30 Exchange Street  Berlin NH 03570		INSURER B: <b>AmGuard Insurance Company</b>	
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES      CERTIFICATE NUMBER: **CL157243649**      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 WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			<b>NCPCKG0328200</b>	<b>7/1/2015</b>	<b>7/1/2016</b>	EACH OCCURRENCE \$ <b>1,000,000</b> DAMAGE TO RENTED PREMISES (Ea occurrence) \$ <b>100,000</b> MED EXP (Any one person) \$ <b>5,000</b> PERSONAL & ADV INJURY \$ <b>1,000,000</b> GENERAL AGGREGATE \$ <b>3,000,000</b> PRODUCTS - COMP/OP AGG \$ <b>3,000,000</b>
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			<b>NCAUT0328200</b>	<b>7/1/2015</b>	<b>7/1/2016</b>	COMBINED SINGLE LIMIT (Ea accident) \$ <b>1,000,000</b> BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Underinsured motorist \$ <b>1,000,000</b>
	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB DED \$      RETENTION \$	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE			<b>NCFXS0328200</b>	<b>7/1/2015</b>	<b>7/1/2016</b>
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		<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<b>TRWC659784</b> (3a.) NH All officers included	<b>7/1/2015</b>	<b>7/1/2016</b>	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ <b>500,000</b> E.L. DISEASE - EA EMPLOYEE \$ <b>500,000</b> E.L. DISEASE - POLICY LIMIT \$ <b>500,000</b>
A	<b>Professional Liability</b>			<b>NCPCKG0328200</b>	<b>7/1/2015</b>	<b>7/1/2016</b>	Per Occurrence \$ <b>1,000,000</b> Aggregate \$ <b>3,000,000</b>

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

<b>CERTIFICATE HOLDER</b>	<b>CANCELLATION</b>
State of NH- DHHS Contracts & Procurement Attn: Catherine A. Cormier 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
	Laura Perrin/KS5

## **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*

---

**TRI-COUNTY  
COMMUNITY ACTION PROGRAM, INC.**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2014  
AND  
INDEPENDENT AUDITORS' REPORT**

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**

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To the Board of Directors of  
Tri-County Community Action Program, Inc.  
Berlin, New Hampshire

**Leone,  
McDonnell  
& Roberts**  
PROFESSIONAL ASSOCIATION  
CERTIFIED PUBLIC ACCOUNTANTS  
WOLFEBORO • NORTH CONWAY  
DOVER • CONCORD  
STRATHAM

## **INDEPENDENT AUDITORS' REPORT**

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Tri-County Community Action Program, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, cash flows, and functional expenses 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 Tri-County Community Action Program, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.



**Other Matters**

*Prior Period Adjustment*

The financial statements of Tri-County Community Action Program, Inc. as of June 30, 2013, were audited by other auditors whose report dated March 31, 2014 expressed a qualified opinion on those financial statements. The reason for the qualified opinion on the fiscal year 2013 statements was that the Organization had not previously classified the difference between its assets and liabilities as unrestricted net assets, temporarily restricted net assets and permanently restricted net assets based on the existence or absence of donor-imposed restrictions. The previous auditor stated that the effects on the financial statements of that departure were not readily determinable. As discussed in **Note 14** to the financial statements, the Organization has adjusted its 2013 financial statements to retrospectively apply the change in temporarily restricted net assets. The other auditors reported on the financial statements before the retrospective adjustment.

As part of our audit of the fiscal year 2014 financial statements, we also audited the adjustments described in **Note 14** that were recorded to restate the fiscal year 2013 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2013 financial statements of the Organization other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2013 financial statements as a whole.

*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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the 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 January 19, 2015, 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 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.

*Leane McDonnell & Roberts  
Professional Association*

January 19, 2015  
North Conway, New Hampshire

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**

**STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2014**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 375,399
Accounts receivable	833,677
Inventories	66,039
Prepaid expenses	27,286
Other assets	<u>818</u>

Total current assets 1,303,219

**PROPERTY**

Property, plant, and equipment	10,782,988
Less accumulated depreciation	<u>(4,018,976)</u>

Property, net 6,764,012

**OTHER ASSETS**

Restricted cash	704,665
Building refinance costs, net	<u>16,252</u>

Total other assets 720,917

**TOTAL ASSETS** \$ 8,788,148

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Current portion of long term debt	\$ 315,312
Demand note payable	501,051
Accounts payable	652,705
Accrued compensated absences	277,779
Accrued salaries	111,486
Accrued expenses	112,335
Refundable advances	224,571
Other liabilities	<u>405,593</u>

Total current liabilities 2,600,832

**LONG TERM DEBT**

Long term debt, net of current portion	4,253,893
Interest rate swap at fair value	<u>49,713</u>

Total liabilities 6,904,438

**NET ASSETS**

Unrestricted	1,220,497
Temporarily restricted	<u>663,213</u>

Total net assets 1,883,710

**TOTAL LIABILITIES AND NET ASSETS** \$ 8,788,148

See Notes to Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>			
Grant and contracts	\$ 14,550,759	\$ -	\$ 14,550,759
Program funding	1,430,906	-	1,430,906
Utility programs	1,235,250	-	1,235,250
In-kind contributions	141,303	-	141,303
Contributions	253,696	-	253,696
Fundraising	48,388	-	48,388
Rental income	742,117	-	742,117
Interest income	877	-	877
Gain on disposal	4,404	-	4,404
Other revenue	<u>256,500</u>	-	<u>256,500</u>
Total revenues and other support	18,664,200	-	18,664,200
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>59,923</u>	<u>(59,923)</u>	<u>-</u>
Total revenues, other support, and net assets released from restrictions	<u>18,724,123</u>	<u>(59,923)</u>	<u>18,664,200</u>
<b>FUNCTIONAL EXPENSES</b>			
Program Services:			
Agency fund	1,020,464	-	1,020,464
Head Start	2,004,565	-	2,004,565
Guardianship	725,590	-	725,590
Transportation	974,583	-	974,583
Volunteer	103,631	-	103,631
Workforce development	520,858	-	520,858
Alcohol and other drugs	1,032,132	-	1,032,132
Carroll County dental	484,898	-	484,898
Carroll County restorative justice	160,275	-	160,275
Support center	238,519	-	238,519
Homeless	468,841	-	468,841
Energy and community development	7,750,706	-	7,750,706
Elder	<u>1,069,155</u>	-	<u>1,069,155</u>
Total program services	<u>16,554,217</u>	-	<u>16,554,217</u>
Supporting Activities:			
General and administrative	1,227,656	-	1,227,656
Fundraising	<u>5,678</u>	-	<u>5,678</u>
Total supporting activities	<u>1,233,334</u>	-	<u>1,233,334</u>
Total functional expenses	<u>17,787,551</u>	-	<u>17,787,551</u>
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>	936,572	(59,923)	876,649
<b>OTHER INCOME AND (EXPENSE)</b>			
Gain on interest rate swap	<u>32,937</u>	-	<u>32,937</u>
<b>TOTAL CHANGES IN NET ASSETS</b>	<u>969,509</u>	<u>(59,923)</u>	<u>909,586</u>
<b>NET ASSETS, BEGINNING OF YEAR (AS ORIGINALLY STATED)</b>	(227,714)	1,125,522	897,808
PRIOR PERIOD ADJUSTMENT (NOTE 14)	<u>478,702</u>	<u>(402,386)</u>	<u>76,316</u>
<b>NET ASSETS, BEGINNING OF YEAR (RESTATED)</b>	<u>250,988</u>	<u>723,136</u>	<u>974,124</u>
<b>NET ASSETS, END OF YEAR</b>	\$ <u>1,220,497</u>	\$ <u>663,213</u>	\$ <u>1,883,710</u>

See Notes to Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2014**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 909,586
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	379,543
Gain on disposal of property	(4,404)
Gain on interest rate swap	(32,937)
(Increase) decrease in assets:	
Restricted cash	(73,140)
Accounts receivable	132,610
Inventories	(1,016)
Due from insurance	41,353
Prepaid expenses	(11,234)
Other assets	502
Increase (decrease) in liabilities:	
Accounts payable	(505,581)
Accrued compensated absences	17,426
Accrued salaries	34,078
Accrued expenses	(5,322)
Refundable advances	213,275
Other liabilities	(62,247)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,032,492</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from disposal of property	4,404
Purchase of property and equipment	(177,038)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(172,634)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Net repayment of demand note payable	(184,536)
Repayment of long-term debt	(347,318)
Repayment of captial lease obligation	(41,284)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(573,138)</u>
<b>NET INCREASE IN CASH</b>	286,720
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>88,679</u>
<b>CASH AND CASH EQUIVALENTS BALANCE, END OF YEAR</b>	<u>\$ 375,399</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>	
Cash paid during the year for:	
Interest	<u>\$ 247,825</u>

See Notes to Financial Statements

**TP COUNTY COMMUNICATIONS DEPARTMENT**  
**STATEMENT OF FINANCIAL OPERATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	OWNERS FUND	RESERVE FUND	DEBT SERVICE	IMMEDIATE	YEAR-END	WORKERS COMPENSATION	ATTORNEY AND OTHER FEES	COUNTY COUNTY DEBIT	COUNTY COUNTY RECEIVABLES	SUPPLY	GENERAL	ISOLATION	ENERGY AND DEVELOPMENT	EMERGENCY	TOTAL	GRAND TOTAL	FUND BALANCE	TOTAL
Office expenses	1,274	887,185	418,434	448,880	76,202	798,257	397,388	284,204	84,274	14,919	294,427	1,114,451	477,142	3,088,716	387,216	-	3,064,204	
Payroll	18,281	201,822	124,584	148,731	24,248	83,485	151,386	87,117	28,428	29,948	81,948	389,388	114,838	1,253,899	174,728	-	1,429,627	
Assistance to clients	474	-	-	-	-	13,372	-	-	-	2,702	88,487	4,444,388	11,888	3,088,882	-	-	6,006,889	
Consultants and contractors	75,488	49,289	11,687	38,214	-	7,227	7,227	11,234	2,717	14,788	3,424	17,388	34,788	297,888	388,872	-	474,288	
Rent and administration	13,871	12,884	8,284	7,874	728	348	3,214	8,428	744	1,788	3,384	24,744	7,814	1,28,444	11,228	-	137,888	
Space craft and rental	7,728	148,488	47,382	13,228	8,148	128,771	28,448	9,288	33,971	-	23,288	148,414	78,412	714,224	148,888	-	863,112	
Communications supplies	1,844	137,188	14,988	29,872	148	3,122	79,148	9,288	1,91	7,188	4,741	22,648	388,288	888,974	78,178	-	1,267,112	
Permit, license, or other fee, from cost of the project	88,227	72	13,772	848	-	-	-	-	-	-	-	-	-	88,227	88	-	88,315	
Ducting and grounds maintenance	81,882	88,774	128	3,448	-	-	33,788	7,288	-	-	3,712	3,772	1,682	3,781	238,411	788	239,199	
Utilities	112,422	28,448	18,888	18,822	1,888	4,872	48,788	9,114	2,888	18,867	27,819	28,328	38,382	698,784	8,884	-	746,968	
Phone bank	88	-	-	-	-	-	-	-	-	-	-	-	-	88	-	-	88	
Travel and recreation	1,188	48,884	38,872	11,827	888	18,122	11,127	1,284	-	4,941	17,788	4,528	38,884	288,487	78,879	-	367,366	
Vehicle expenses	1,447	-	-	18,884	-	-	1,824	-	-	-	4,128	38,342	-	228,248	8,814	-	236,462	
Insurance	138,881	24,147	822	24,828	717	-	24,881	-	-	-	17,788	45,828	-	888,888	7,888	-	906,676	
Interest expense	172,871	-	-	2,284	-	-	2,284	88,742	-	-	-	-	-	247,888	788	-	248,676	
Other direct project costs	33,871	4,324	20,882	8,148	4,127	8,278	4,887	-	288	2,221	3,281	482	124,218	18,977	3,874	-	147,814	
Depreciation and amortization expense	148,172	4,844	8,442	74,818	-	-	7,447	48,971	-	18,828	1,781	7,452	28,888	38,842	-	-	127,913	
Income reported	141,222	-	-	-	-	-	-	-	-	-	-	-	-	141,222	-	-	141,222	
<b>Total Direct Expenses</b>	<b>1,422,484</b>	<b>3,084,448</b>	<b>728,188</b>	<b>874,442</b>	<b>148,851</b>	<b>1,288,888</b>	<b>1,022,122</b>	<b>484,188</b>	<b>142,778</b>	<b>228,816</b>	<b>488,841</b>	<b>1,748,708</b>	<b>1,288,118</b>	<b>14,888,217</b>	<b>1,227,888</b>	<b>8,874</b>	<b>17,797,881</b>	
Interest & payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Indirect costs	128,444	214,128	88,818	128,872	7,281	47,828	134,871	52,848	14,116	38,782	47,887	78,488	1,14,428	1,227,888	(1,227,888)	-	-	
<b>Total Direct &amp; Indirect Expenses</b>	<b>\$ 1,550,928</b>	<b>\$ 3,298,576</b>	<b>\$ 817,006</b>	<b>\$ 1,003,314</b>	<b>\$ 156,132</b>	<b>\$ 1,336,716</b>	<b>\$ 1,157,000</b>	<b>\$ 537,036</b>	<b>\$ 156,894</b>	<b>\$ 267,602</b>	<b>\$ 536,728</b>	<b>\$ 1,827,136</b>	<b>\$ 1,402,546</b>	<b>\$ 15,116,105</b>	<b>\$ 17,051,272</b>	<b>\$ 8,874</b>	<b>\$ 17,797,881</b>	

See the list of Financial Statements

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

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

**Nature of activities**

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.

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.

An example is The Northern Forest Heritage Park (the Park), which provides hundreds of individuals with an educational experience as they visit a full-size replica logging camp, interactive exhibits, the Brown Company House Museum, the Artisans' Display Gallery and gift shop, as well as boat tours, cultural festivals, demonstrations, and competitions. The Park is also available for community and family events.

**Head Start**

Head Start serves hundreds of children and their families in multiple classrooms and locations throughout three counties. Research demonstrates that children who are healthy learn better. Due to this fact, parents in our program receive assistance in completing medical and dental exams for their children. To further assist in breaking the cycle of poverty, each family enrolled in Head Start receives assistance in completing a family needs assessment, and subsequent support in achieving their self-sufficiency and personal improvement goals.

### **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.

### **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 18 wheelchair accessible vehicles offers transportation options to the elderly and disabled, as well as to the general public.

### **Volunteer**

Coos County Retired & Senior Volunteers Program (RSVP) maintains a minimum corps of 330 volunteers, ages 55 and older. These volunteers share their skills, life experiences, and time with over 50 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 50,000 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.

#### **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.

#### **Support Center**

The Organization's Support Center at Burch House is a domestic and sexual violence crisis center that provides direct service and shelter to victims of domestic and sexual violence in Northern Grafton County. Support groups for victims and survivors are provided all year long. Violence prevention programs reach out to students in grades 4-12 and to civic and community groups, as well as to other health and human service professionals in the area.

Supports groups for victims and survivors are provided all year long. Open 24 hours a day, services include: Crisis intervention, emergency shelter, court, hospital and police advocacy and accompaniment, support groups, violence prevention programs reach out to students in grades 4-12 and community outreach trainings and professional presentations to civic and community groups, as well as to other health and human service professionals in the area.

#### **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 and Development, and Community Contact**

Energy programs provide fuel assistance, electric assistance, utility conservation, and weatherization measures including insulation, air-sealing, energy efficient lighting and refrigerators, hot water conservation measures, minor home repairs, and replacement windows and doors.

Eight Community Contact sites allow for local participant access. Applications for energy assistance program, rental security deposit assistance and other emergency services are taken at these community contact offices. These offices also provide information to the Organization's clients about their other programs and programs available through other organizations in the community.

**Elder**

The Organization's Elder program provides senior meals in 12 community dining sites, home-delivered meals (Meals on Wheels) to the frail and homebound elderly, and senior nutrition education and related programming. Adult Day Services including respite for those caring for an adult who requires assistance with activities of daily living, support groups, caregiver education, and in-home assessments. The Coos County ServiceLink Aging & Disability Resource Center assists with Medicare counseling, Medicaid assistance, long-term care counseling services, and caregiver supports.

**Method of accounting**

The accompanying financial statements have been prepared on 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, revenues, 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, 2014. The Organization had temporarily restricted net assets of \$663,213 at June 30, 2014 after the prior period adjustment as described in Note 14.

**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.

**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, 2014.

#### **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 note payable which bears 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 is 1.10; or 3.00% when the Organization's debt service coverage ratio is 1.20. 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 Organization pays interest at a fixed 3.85%. The arrangement is 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, is classified as a cash flow hedge.

For the year ended June 30, 2014, the fair value of the interest rate swap was \$49,713 and the unrealized gain was \$32,937. The fair value of the swap is included on the balance sheet as a long term liability. No amounts have been reclassified as interest expense and based upon the Organization's intent to hold the derivative until expiration they do not expect to reclassify any unrealized gains or losses to interest expense.

#### **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 upon 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 are charged to expense as incurred.

Estimated useful lives are as follows:

Buildings and Improvements	20 to 40 years
Vehicles	5 to 8 years
Furniture and Equipment	5 to 15 years

**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 \$224,571 as of June 30, 2014.

**Nonprofit tax status**

The Organization is a *not-for-profit* Section 501(c) (3) organization of 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 is no longer subject to examinations by tax authorities for years prior to 2009.

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.

The Organization's Federal Form 990 (Return of Organization Exempt from Income Tax), subject to examination by the IRS, generally for three years after it is filed.

### **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, payments had ceased, therefore as of June 30, 2014, there were no discretionary contributions recorded. Further information can be obtained from the Organization's 403(b) audited financial statements.

### **Donated services and goods**

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.

### **Use of estimates**

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

### **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 program 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 the 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 supplemental statements of functional expenses. Depreciation applicable to assets which are used by multiple programs, primarily buildings, is charged to the benefiting program based upon an analysis of square footage. The same calculation is used to allocate other building costs including insurance. These costs are reported as space costs on the supplemental 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, 2013 received provisional approval and is effective until amended. The rate is 12.3%.

**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 year ended June 30, 2014 was \$11,778.

**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, 2014, the balances on interest and non-interest bearing accounts were insured by the FDIC up to \$250,000. At June 30, 2014, there was approximately \$487,000 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, 2014 was \$6,219. The Organization was not in compliance with this requirement however, in May 2013, the client began making the required monthly deposits of \$437. This amount is included in restricted cash on the Statement 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 \$186,516 and is equal to the interest payments on the bond for a 12 month period. The balance as of June 30, 2014 was \$187,107, and the Organization was in compliance with this requirement. This amount is included in restricted cash on the Statement 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 withdrawal at June 30, 2014 was \$403,598. These amounts are included in other liabilities on the Statement of Financial Position. The total restricted cash within this account at June 30, 2014 was \$398,354, and is included in the restricted cash balance on the Statement of Financial Position.

During fiscal year 2013, the Court Appointed Special Trustee requested and received \$225,000 from private donors. These funds were restricted to use by the Special Trustee under his individual authority. As of June 30, 2014, the remaining balance of these funds is \$112,985. This amount is included in restricted cash on the Statement of Financial Position.

**NOTE 3. INVENTORY**

In 2014, inventory included weatherization materials which have 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.

**NOTE 4. PROPERTY**

Property consists of the following at June 30, 2014:

	<u>Capitalized Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Building	\$7,972,540	\$ 2,448,604	\$ 5,523,936
Equipment	2,214,981	1,570,372	3,785,353
Land	<u>595,467</u>	<u>-</u>	<u>595,467</u>
	<u>\$10,782,988</u>	<u>\$ 4,018,976</u>	<u>\$ 6,764,012</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 year ended June 30, 2014 was \$378,065.

The Organization also had building refinancing costs of \$17,730. Amortization expense for the year ended June 30, 2014 was \$1,478.

**NOTE 5. ACCRUED EARNED TIME**

Employees of the Organization are eligible to accrue vacation for a maximum of 240 hours. At June 30, 2014, the Organization had accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$277,779.

**NOTE 6. LONG TERM DEBT**

The long term debt of the Organization as of June 30, 2014 consisted of the following:

Note payable requiring 360 monthly installments of \$484 including interest at 5% per annum. Secured by general business assets. Final installment due March 2024.	\$ 44,319
Note payable requiring 360 monthly installments of \$1,746 including interest at 4.5% per annum. Secured by general business assets. Final installment due June 2024.	144,785
Note payable requiring 360 monthly installments of \$1,664 including interest at 5% per annum. Secured by general business assets. Final installment due January 2027.	185,470
Note payable requiring 360 monthly installments of \$292 including interest at 4.75% per annum. Secured by general business assets. Final installment due April 2030.	38,753
Note payable requiring 360 monthly installments of \$74 including interest at 4.75% per annum. Secured by general business assets. Final installment due June 2029.	9,507
Note payable requiring 120 monthly installments of \$475 including interest at 4.25% per annum. Secured by a first mortgage on a business condo. Final installment due December 2015.	8,340
Note payable requiring 120 monthly installments of \$3,799 including interest at 6.75% per annum. Secured by first mortgages on two commercial properties. Final installment due April 2021.	459,945



Note payable to a related party, interest accrues 6% per annum, no monthly installments, full principal amount plus interest is due August 2012, informally extended. 26,170

Note payable to a non-profit organization (related party), interest accrues 6% per annum, no monthly installments, full principal plus interest due during the Organization's fiscal year end 2013, informally extended. 149,866

Bond payable requiring monthly installments of \$15,260 including interest adjusted by a swap agreement with a fixed rate of 3.85%, adjusted by the difference between the fixed amount and a rate of interest equal to 69% of the sum of the 1 month LIBOR rate plus 3.25% (when the Organization's debt service coverage ratio is 1.10) or 3.00% (when the Organization's debt service coverage ratio is 1.20). Secured by first commercial real estate mortgage on various properties and assignment of rents at various properties. Final installment due August 2040. 3,016,868

Note payable requiring 240 monthly installments of \$4,518 including interest at 4.16% per annum. Secured by second mortgage on commercial property. Final installment due December 2032. 485,182

Less current portion due within one year 4,569,205 (315,312)

Total long term debt \$ 4,253,893

The scheduled maturities of long term debt as of June 30, 2014 were as follows:

<u>Years ending</u> <u>June 30</u>	<u>Amount</u>
2015	\$ 315,312
2016	142,626
2017	146,154
2018	545,938
2019	134,263
Thereafter	<u>3,284,912</u>
	<u>\$ 4,569,205</u>

As described at Note 2, the Organization is required to maintain a reserve account with a bank for the first six 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. The balance in this account as of June 30, 2014 was \$6,219.

As described at **Note 2**, the Organization is required to maintain a reserve account with a bank related to the bond payable listed above. Additionally, the Organization is required to maintain a debt coverage ratio of 1:1.10 as stipulated in the loan agreement.

**NOTE 7. DEMAND NOTE PAYABLE**

The Organization has available a \$45,000 unsecured line of credit with Northway Bank, at June 30, 2014. Borrowings under the line bear interest at 6.50% per annum, and totaled \$33,611 at June 30, 2014, respectively. The line of credit is unsecured.

The Organization has available a \$750,000 line of credit with TD Bank which was 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 4.25% per annum, and totaled \$400,000 at June 30, 2014. The line is subject to renewal each January.

The Organization has available a \$25,000 line of credit with Bank of New Hampshire which is secured with all business assets of the Northern Forest Heritage Park. Borrowings under the line bear interest at 4.25% per annum, and totaled \$16,601 at June 30, 2014.

The Organization was issued a revolving line of credit in 2014 with the New Hampshire Department of Administration Services. On June 30, 2014, the outstanding debt totaled \$50,839, which included accrued interest of \$839.

**NOTE 8. LEASES**

**Capital Leases**

The Organization leased equipment from Leaf Financial Corporation under the terms of a capital lease. The economic substance of the lease was that the Organization was financing the acquisition of the assets through the lease, and accordingly, it was recorded in the Organization's assets and liabilities. In 2014, the remaining balance was paid off and the balance was subsequently reduced to zero.

**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 year ended June 30, 2014, the annual rent expense for leased facilities was \$188,455.

Minimum future rental payments under non-cancelable operating leases having initial terms in excess of one year as of June 30, 2014, are as follows:

<u>Years ending June 30</u>	<u>Amount</u>
2015	\$ 171,566
2016	93,116
2017	81,757
2018	83,531
2019	70,936
Thereafter	<u>282,000</u>
	<u>\$ 782,906</u>

Rent expense for the year ended June 30, 2014 totaled \$714,004.

**NOTE 9. IN-KIND CONTRIBUTIONS**

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.

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 10. CONCENTRATION OF RISK**

The Organization receives a large majority of its support from federal and state governments. For the year ended June 30, 2014 approximately \$14,018,226 (73%) 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 an effect on the Organization's programs and activities.

**NOTE 11. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following specific program services as of June 30, 2014:

NH Charitable Foundation Grant, Mt. Jasper	\$ 32,653
Donations to Special Trustees	50,000
Champagne Family Rescue	616
Berlin Area Renewable Energy Initiative	19,838
Transitions in Caregiving Plus	3,235
10 Bricks Shelter Funds	107,221
Fuel Assistance Emergency Fund	8,689
Donations to Mahoosuc Trail	1,842
Carroll County Transit Program	7,954
Community Contact	3,543
Donations to Maple Fund	1,825
Private Funding for Fuel Assistance Program	149,178
Pellet Stove Program	25,000
Private Funding for Head Start	26,028
Loan Programs	153
Private Funding for Alcohol and Other Drug Program	50,000
Funding for Tyler Blain House	12,595
North Country Transit Other	22,041
Restricted Buildings	<u>140,802</u>
Total temporarily restricted net assets	<u>\$ 663,213</u>

**NOTE 12. 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.

**Other Liabilities**

During fiscal year 2012, the Organization withdrew \$375,000 from an account entrusted to the Organization as part of the Guardianship Program (see Note 2). This unauthorized withdrawal was reported to the New Hampshire Assistant Attorney General of the Charitable Trust Division and an agreement was reached to replenish the account. The Organization returned \$191,000 during the fiscal year ended June 30, 2013 and \$184,000 during the fiscal year ended June 30, 2014 to the Guardianship Services Program account.

In addition to the requirement to return the funds, the Organization was assessed a fee of \$5,244 related to the unauthorized use of these funds. This amount was still outstanding at June 30, 2014 as no official notice or request for payment had been received by the Organization.

**NOTE 13. RELATED PARTY TRANSACTIONS**

As disclosed in Note 6, the Organization has a loan payable to the wife of the former Chief Executive Officer. Also 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 for terms of the note payables. Total note payables to related parties for the year ended June 30, 2014 was \$176,036.

**NOTE 14. PRIOR PERIOD ADJUSTMENTS**

The beginning net assets for 2014 have been restated to correctly classify unrestricted and temporarily restricted net assets. The prior auditors had modified their audit opinion for the year ended June 30, 2013 with regards to these balances stating that the Organization had previously not classified these net asset balances appropriately. They also stated that the effects on the financial statements were not reasonably determinable. During the year ended June 30, 2014, the Organization reviewed their entire unrestricted and temporarily restricted net asset balances and corrected this issue. The effect of the restatement was to increase unrestricted net assets and decrease temporarily restricted net assets for 2013 by \$402,386.

There was also another adjustment, totaling a net amount of \$76,316, related to refundable advances not recorded at June 30, 2013.

**NOTE 15. 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 January 19, 2015, the date the financial statements were available to be issued.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass Through Grantor/Program Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
<b>U.S. Department of Health and Human Services</b>			
<i>Direct</i>			
Head Start	01CH1041/47	93.600	\$ 1,174,745
Head Start	01CH1041/48	93.600	854,328
<i>Passed through New Hampshire Office of Energy and Planning</i>			
Low-Income Home Energy Assistance (Admin.)	1025875	93.688	86,709
Low-Income Home Energy Assistance (Assurance 16)	1025875	93.688	31,324
Low-Income Home Energy Assistance (Admin.)	1033340	93.568	384,079
Low-Income Home Energy Assistance (Program)	1033340	93.568	5,322,937
Low-Income Home Energy Assistance (Assurance 16)	1033340	93.688	103,389
Low-Income Home Energy Assistance (HRRP)	1025856	93.688	17,353
Low-Income Home Energy Assistance (HRRP)	1033553	93.588	72,444
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (SEAS)	14AANH3SP	93.044	10,780
<i>Passed through New Hampshire Health and Human Services</i>			
Community Services Block Grant	1026089	93.589	112,288
Community Services Block Grant	102500731	93.589	486,633
Temporary Assistance for Needy Families (NHEP Workplace Success)		93.558	332,099
Temporary Assistance for Needy Families (JARC)		93.558	24,300
Preventive Health and Health Services Block Grant (Oral Health Program)	90072003	93.991	10,617
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services (Sr Oral Health)	102-500731	93.043	210
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (Adult Medical)	1018495	93.044	2,449
Special Programs for the Aging - Title III, Part C - Nutrition Services (HD Meals)	1018498	93.043	157,845
National Family Caregiver Support, Title III, Part E	1008784	93.052	8,591
National Family Caregiver Support, Title III, Part E	14AANH3FC	93.052	10,738
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (Sr Wheels)	1016495	93.044	50,593
Medical Assistance Program (Assessment & Counseling #1)	1008784	93.778	20,909
Medical Assistance Program (Options Counseling and I&R #7)		93.778	33,902
Medical Assistance Program (Transportation)		93.778	48,032
Nutrition Services Incentive Program (NSIP)		93.053	71,804
Social Services Block Grant (Title XX I&R)	G-1301NHSOSR	93.867	5,189
Social Services Block Grant (Title XX I&R)	1008784	93.867	2,063
Social Services Block Grant (Title XX Adult Daycare)	1016503	93.867	2,134
Social Services Block Grant (Title XX HD Meals APS)	1018498	93.867	2,857
Social Services Block Grant (Title XX HD Meals)	1018495	93.867	58,754
Special Programs for the Aging - Title III, Part C - Nutrition Services (Congregate Meals)	1016501	93.045	86,556
Affordable Care Act - Aging and Disability Resource Center (ADRC Optional)	90RO0028	93.517	14,544
Centers for Medicare and Medicaid Services (SHIP)	1008784	93.778	7,325
Centers for Medicare and Medicaid Services (SHIP)	1NOCMS020220	93.778	4,187
Special Programs for the Aging - Title IV and Title II - Discretionary Projects (SMPP)	1008784	93.048	3,084
Special Programs for the Aging - Title IV and Title II - Discretionary Projects (SMPP)	90MPO178	93.048	7,354
Administration for Community Living - Medicare Enrollment Assistance Program (MIPPA)		93.071	2,818
Centers for Medicare and Medicaid Services (Marketplace Assister Services)		93.525	24,957
<i>Passed through New Hampshire Coalition against Domestic and Sexual Violence</i>			
Family Violence Prevention and Services/Battered Women's Shelters - Grants to States and Indian Tribes (SPIRDV)		93.671	26,638
Family Violence Prevention and Services/Battered Women's Shelters - Grants to States and Indian Tribes (DVS)		93.671	22,884
<i>Passed through New Hampshire Division of Public Health Services</i>			
Block Grants for Prevention and Treatment of Substance Abuse		93.958	260,460
<i>Passed through New Hampshire Division of Child Support Services</i>			
Projects for Assistance in Transition from Homelessness (PATH)		93.150	79,829
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			10,021,622
<b>U.S. Department of Energy</b>			
<i>Passed through Governor's Office of Energy and Community Services</i>			
Weatherization Assistance for Low-Income Persons	1033409	81.042	209,433
<i>Passed through NH Community Development Finance Authority</i>			
Energy Efficiency and Conservation Block Grant Program (Better Buildings)		81.128	72,291
TOTAL U.S. DEPARTMENT OF ENERGY:			281,724
<b>U.S. Corporation for National and Community Service</b>			
<i>Direct</i>			
Retired and Senior Volunteer Program	13SRANH001	94.002	72,754
TOTAL U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:			72,754

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014**

Federal Grantor/Pass Through Grantor/Program Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
<i>Direct</i>			
Supplemental Nutrition Assistance Program (food stamps)		10.551	6,520
Rural Housing Preservation Grants		10.433	4,392
<i>Passed Through New Hampshire Department of Education</i>			
Child and Adult Care Food Program		10.668	<u>105,782</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE:			<u>118,694</u>
<b><u>U.S. Department of Homeland Security</u></b>			
<i>Direct</i>			
Emergency Management Performance Grants (FEMA)	128735	87.042	<u>21,889</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY:			<u>21,889</u>
<b><u>U.S. Department of Justice</u></b>			
<i>Passed Through New Hampshire Coalition Against Domestic and Sexual Violence</i>			
Crime Victim Assistance (VOCA)		16.675	86,702
Sexual Assault Services Formula Program (SASP)	2012-KF-AX-0021	18.017	<u>7,878</u>
TOTAL U.S. DEPARTMENT OF JUSTICE:			<u>74,580</u>
<b><u>U.S. Department of Transportation</u></b>			
<i>Passed Through New Hampshire Department of Transportation</i>			
Formula Grants for Rural Areas (Section 5311)	NH-18-X044	20.609	293,798
Job Access and Reverse Commute Program (FTA- Section 5316)		20.516	37,386
Enhanced Mobility of Seniors and Individuals with Disabilities (5310 POS, NCC)	NH-85-X002	20.513	47,225
Enhanced Mobility of Seniors and Individuals with Disabilities (5310 POS, MWVEC)		20.513	<u>29,258</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION:			<u>407,667</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<i>Passed Through New Hampshire Office of Family Services</i>			
Emergency Solutions Grant Program		14.231	32,512
Supportive Housing Program (HOIP)		14.235	130,188
<i>Passed through New Hampshire Health and Human Services then Southwestern Community Services</i>			
Emergency Solutions Grant Program (Rapid Re-Housing and Prevention)		14.231	<u>40,126</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			<u>202,826</u>
<b><u>U.S. Department of Labor</u></b>			
<i>Passed through New Hampshire Department of Labor</i>			
WIA Adult Program	2009-006	17.258	64,819
WIA Dislocated Worker Formula Grants	2009-006	17.278	<u>77,328</u>
TOTAL U.S. DEPARTMENT OF LABOR:			<u>142,247</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 11,342,002</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, 2014. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Tri-County Community Action Program, Inc., it is





**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, 2014, 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 January 19, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the 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 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies: FS-2014-001, FS-2014-002, and FS-2014-003.

### **Compliance and Other Matters**

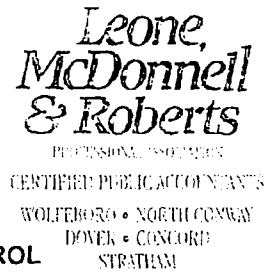
As part of obtaining reasonable assurance about whether Tri-County Community Action Program Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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.

*Leon McDannell : Roberts*  
*Professional Association*

North Conway, New Hampshire  
January 19, 2015



**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors of  
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 Circular A-133 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, 2014. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2014.

## 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Leone, McDonnell & Roberts  
Professional Association*

North Conway, New Hampshire  
January 19, 2015

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

1. The auditors' report expresses an unmodified opinion on the financial statements of Tri-County Community Action Program, Inc.
2. Three 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* and are included in the Findings – Financial Statement Audit below.
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 OMB Circular A-133*.
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. There were no audit findings which the auditor would be required to report under section 510(a) of OMB Circular A-133.
7. The programs tested as major programs included:
  - Low Income Home Energy Assistance – CFDA #93.568
  - Aging Cluster:
    - Special Programs for the Aging – Title III, Part B – CFDA #93.044
    - Special Programs for the Aging – Title III, Part C – CFDA #93.045
    - Nutrition Services Incentive Program – CFDA #93.053
  - Community Services Bock Grant – CFDA #93.569
  - Head Start – CFDA #93.600
  - Temporary Assistance for Needy Families – CFDA #93.558
8. The threshold for distinguishing Type A and B programs was \$340,260.
9. Tri-County Community Action Program, Inc. was determined not to be a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

**FS-2014-001**

**Condition:** The Organization records their monthly receivables based on the invoicing done by the Program Directors. The non-contract billings are recorded as miscellaneous receivables for the year-end balance. Management reviews subsequent cash receipts to capture any payments that may have been overlooked by a Program Director when completing their reports for year end.

**Criteria:** A system needs to be developed to ensure that all financial information, including the receivable balances and estimates for allowance for doubtful accounts, is captured and reported in the financial statements.

**Cause:** Procedures have not been fully designed and implemented over the accounts receivable in order to safeguard the assets.

**Effect:** Although we did not encounter receivables that were not properly recorded, there is the risk that the miscellaneous receivables balance would be misstated.

**Recommendation:** The Organization should design and implement policies and procedures for the recording, reporting and collection of all receivables.

**Management Response:** Management agrees with this finding. Due to the structure of the Organization, billing needs to be initiated by the program departments after reviewing their monthly results from their records and the Organization's accounting system. The Finance Department reviews the revenue and expense reports to review for flags (such as budget variances) that indicate possible unbilled items due to an unexpected revenue and expense imbalance. Monthly inquiries are made of Department Directors to ask about potential unbilled items. Written procedures will be created for Directors and/or their designees to follow to help prevent missed billings, receivable adjustments, and/or the accrual of as yet unbilled but earned receivables.

#### FS-2014-002

**Condition:** The Organization failed to comply with the requirements to report net assets as unrestricted, temporarily restricted, and permanently restricted.

**Criteria:** The Organization needs to have a process in place to identify restrictions on grants and donations, as well as monies received from Federal funds.

**Cause:** The predecessor auditor provided guidance to management on how to record the net assets.

**Effect:** The Organization required assistance and guidance on how to calculate the amount of Federal funds included in temporarily restricted net assets, resulting in a prior period adjustment.

**Recommendation:** The Organization needs to develop a policy to properly record the donations and grants to the appropriate net asset classification.

**Management Response:** Management agrees with this finding. The predecessor auditor and former fiscal management had discussions related to the treatment of the net asset section. The Organization decided to seek and utilize the guidance of the predecessor auditor. Before this finding current management was reviewing and questioning the prior recommended net asset classifications. After review of documentation and consulting with the current auditors, the current management concurs that net assets need to be classified differently and that specific written instructions are required to insure proper classification in the future. Subsequent to June 30, 2014, management analyzed the net asset balances and posted adjustments to properly classify net assets by restriction at June 30 2014.

#### FS-2014-003

**Condition:** The Organization failed to design and implement procedures to control and monitor the use of a certain bank account and the proper recording of another account.

**Criteria:** Controls over the bank accounts must be designed and implemented to prevent, or detect and correct, errors including misappropriations.

**Cause:** A lack of internal control procedures over the Organization's bank accounts, noted above, and the reconciliation of those accounts.

**Effect:** One bank account was not properly recorded in the Organization's general ledger, resulting in an adjustment to the trial balance. Another bank account was reported on a cash basis, rather than an accrual basis, and had to be adjusted accordingly.

**Recommendation:** Management should further improve controls over the bank accounts in order to ensure that they are being reported properly.

**Management Response:** Management agrees with this finding. Although immaterial to the financial statements in this instance, Management agrees that all bank accounts need to be recorded and reconciled properly due to the responsibility related to the custody of these cash assets. The Organization has corrected the issue related to both referenced accounts above and is performing further research to ensure no other such accounts have been omitted.

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

**FOR THE YEAR ENDED JUNE 30, 2013**

*Financial Statement Audit*

FS-2013-01

**Condition:** Although some improvements have been made since the prior year audit, the financial reporting system continues to be inadequate in its ability to identify, capture, and record information. Procedures to prevent, or detect and correct material misstatements in the financial statements are not effective. Customary accounting procedures were not fully implemented and those procedures which did exist were not consistently done in a timely manner.

Audit fieldwork was scheduled to begin on September 30, 2013, three months after the fiscal year end. Although we held a pre-audit conference on June 13, 2013 and provided the Chief Financial Officer with specific requests for information, we did not receive an adjusted trial balance until September 26, 2013 which, when received, was labeled as "Draft".

When we arrived to perform audit procedures, the client was in still in the process of reconciling revenues and total expenditures to a worksheet used to prepare the draft Schedule of Expenditures of Federal Awards (SEFA). This process was required, because as noted in the prior year audit deficiencies letter, there were many inaccuracies in the posting of revenue throughout the year. Many adjustments were required before the financial reporting system accurately reported the total revenues by program. Therefore a final SEFA could not be prepared until January 2014. This also made it difficult for program managers to manage their programs since the revenue as reported to them during the year was incorrectly allocated by source.

The financial reporting system was closed on a monthly basis without ensuring all accounts payable invoices relating to the period were posted. Entries for internal expenses such as depreciation and occupancy costs were missing from several month end reports. These errors not only caused an issue for program managers during the fiscal year because financial information used to support reimbursement requests frequently changed when these adjustments were finally calculated and posted, but also caused determining final expenditures by program extremely difficult.

Additionally, although reconciliations of most balance sheet accounts had been prepared at year end, there had been little to no effort made to reconcile the annual amounts for payroll, depreciation, or occupancy costs to the trial balance. Our audit procedures found issues with the depreciation and occupancy costs as reported on the trial balance which were later corrected through adjusting entries.

It was also noted that on the Aging Cluster quarterly program service reports, that the amounts reported as expenditures of the program were incorrect because the departments are not receiving timely financial reports with correct financial information.

**Recommendation:** The Organization should continue its efforts to further enhance and refine the financial reporting system so that information can be obtained in a timely manner.

**Prior Year Management Response:** Management agrees with this finding.

The Organization did have difficulty with completing the preparation for the audit and closing out the year. The prior year audit was not finished until March 31st, and it appears that the new Chief Financial Officer and Senior Accountant, who started in May 2013 and June 2013 respectively, spent their time acclimating themselves as best they could.



The Organization was struggling to keep its doors open and much activity and effort was being placed on survival activities like cash management. Management expects that closing out the fiscal year and audit preparation will be much quicker in FY14 as the Organization's financial stability has improved significantly and less staff time and energy is diverted to survival efforts.

Management agrees with the finding that not all accounts payable expenses were being properly recorded by the end of the posting period. Because the Organization was so strapped for cash, it would close the monthly quickly, usually around the 5<sup>th</sup> of the month, so that it could send out billings. Some accounts payable invoicing was not being recorded in the monthly posting period, usually due to a lag in receiving invoices from vendors. The Organization would capture these payables in the next month.

Management sees this as a problematic process that frankly will probably continue until there is an adequate cash reserve. The Organization is currently working on improving cash reserves by selling off surplus real estate. The Lancaster property has already sold, an offer has been made on the Ashland property (contingent upon a vote at Town Meeting), and a proposal is being negotiated for the Northern Forest Heritage Park property. The School Street property in Berlin is actively on the market. As each property closes, a portion of the proceeds will move into a cash reserve account, so the Organization will be able to remedy this problem over time.

Starting late in fiscal 2013, and continuing to the present time, on the advice of a consultant, the Organization changed its methodology of posting depreciation, posting to the departments where the item is used, rather than to the whole agency. The posting is now done monthly, rather than annually, as previously done.

**Current Status:** We have found significant improvement over the Organization's ability to identify and record information, as well as the procedures to prevent, or detect and correct material misstatements. We have identified one item (FS-2014-002) that we would consider to be a significant deficiency that needs adjustment in order to produce financial statements.

#### FS-2013-02

**Condition:** Procedures for the recording of receivables are poorly designed and inadequate to ensure reporting in accordance with generally accepted accounting principles

In fiscal year 2013, the Organization began utilizing the accounts receivable module of the financial reporting system. This system was used for a portion of the year and was not used for all types of receivables. Programs with significant client activity such as the Dental Center, Restorative Justice, Alcohol and Other Drugs and Transportation track their receivables using a variety of systems which range from patient billing systems to excel worksheets. Because the fiscal department does not track receivables for these program areas, the finance department has no way to ensure that all receivables have been recorded, an allowance has been established for doubtful accounts, or that collection efforts are made to ensure payment is received.

**Recommendation:** The Organization should design and implement policies and procedures for the recording, reporting and collection of all receivables.

**Prior Year Management Response:** Management agrees with this finding.

In April, 2013 the Organization initiated the use of the "accounts receivable" module for contract receivables. Later that year, the Organization also began the process of recording receivables for non-contract billings, such as for Alcohol & Other Drugs and Dental receivables. This is a new process for the Organization, but staff seems to be taking it very seriously. Staff in the finance department now have a method to remind program directors when non-contract receivable information is due. This has been a work in progress, but management believes the information is much more accurate now.

Receivables for the Alcohol & Other Drugs and Dental programs require more intensive attention. The Chief Financial Officer is working with the leadership of those two programs, both to collect what is collectable from old accounts, and to put procedures in place to better assure payments in the future. It is likely that there will always be some accounts from both of these programs that will remain uncollectable, due to the population the Organization serves: low-income, transient, jail-bound in some cases. But we need to follow best practices to ensure as much as possible is collected at the point of service, and to stay in touch with clients after they have left.

**Current Status:** The Organization records their monthly receivables based on invoicing done by the Program Directors. The non-contract billings are recorded as miscellaneous receivables for the year-end balance. Management reviews subsequent cash receipts to capture any payments that may have been overlooked by a Program Director when completing their reports for year end. If there was a delay in payment to the Organization, there is the risk that the miscellaneous receivables would be misstated. During our testing in the current year, we noted the Organization had properly captured the appropriate receivables balance (FS-2014-001).

#### FS-2013-03

**Condition:** Although the Organization states in its accounting policies that it complies with the requirements to report net assets as unrestricted, temporarily restricted, and permanently restricted, it appears that finance department personnel did not fully understand the requirements related to each classification.

This was evidenced by the Chief Financial Officer closing all temporarily restricted net asset accounts from fiscal year 2012 into one summary account, thereby losing the detail of which grant had remaining temporarily restricted funds to be expended.

It was further evidenced by the entries related to the sale of vehicles by the transportation program, the proceeds of which have to be used to reacquire new vehicles. This amount was recorded as sales revenue and not identified as temporarily restricted proceeds until questioned by the auditor.

Furthermore, the Organization lacks a process to identify the amount of temporarily restricted net assets at year end because they are unable to correctly adjust the financial reporting system to report the total expenditures by program, do not have a mechanism in place to calculate the restricted revenues in excess of expenditures once correctly adjusted, and do not appear to be working toward developing a methodology to correct this deficiency.

**Recommendation:** The Organization should develop a policy regarding the acceptance of donations and other grants. This should be completed in conjunction with consideration of a risk management policy. The Organization should create a standard form which should include an identification of any restrictions imposed by the donors on the award since many private donors fail to stipulate this in their own documentation. The finance department employees, as well as other program staff, should be educated on the proper classification of net assets. The accounting system or other mechanism should be utilized to track revenues which are unexpended at the fiscal year end. If the donation is restricted as to the allowable time frame for expenditure, then the donation should be returned to the donor. If there is no time restriction then they should record these assets as temporarily restricted in the financial statements. These funds should be made available in the subsequent year for continuation of the donated purpose.

**Prior Year Management Response:** Management agrees with this finding.

There is a policy regarding the acceptance of donations and other grants, but it appears to be outdated, and does not include a standard form which would document the donor's restrictions as to the use of funds. Management will work with the finance department to ensure that the policy is updated and such a form is created. Moreover, the finance department will be directed to create a simple, less cumbersome system to track expended and unexpended grant and donation revenues, and record them accurately in the financial statements.

**Current Status:** We noted that there were some items within temporarily restricted net assets that related to programs and should be transferred to unrestricted, resulting in a prior period adjustment (FS-2014-002).

#### FS-2013-04

**Condition:** Procedures to allocate shared occupancy costs to the benefiting programs were inadequate and failed to allocate the costs accurately. Furthermore, reconciliation procedures that would have identified the errors were not performed.

**Recommendation:** Procedures to identify, allocate and reconcile occupancy costs to the benefiting programs should be refined to ensure that all costs are captured, properly allocated and posted to the financial reporting system.

**Prior Year Management Response:** Management agrees with this finding.

FY 2013 was the first year that the Organization moved to capture occupancy costs and assign them to benefiting programs, rather than to the agency as a whole. Naturally, with so many properties, and so many programs, there have been some errors in implementing this process. But it does seem to capture true programs costs much better than the previous method. Management's position is that the agency needs to get this right, so there is a process for cost allocation that can be used in future years.

Management plans to review occupancy costs regularly, to ensure that they are captured. Finance department now reconciles occupancy costs quarterly for accuracy, and this practice will continue.

**Current Status:** During our testing, we noted that the costs were allocated properly and that reconciliation procedures were performed.

#### FS-2013-05

**Condition:** The listing of property and equipment as originally received from the Organization did not include \$661,615 of assets which were included in the total assets per the trial balance. Further inquiry revealed that the Chief Financial Officer had removed the assets from the listing because they were fully depreciated and planned to post a journal entry to remove the asset balance and related depreciation from the accounts. However, no procedures were performed to identify if the assets were still in existence and still being used by the Organization.

**Recommendation:** Design and implement a policy for property and equipment which includes the requirement to periodically take a physical inventory of assets currently in use and to update the fixed asset as needed for additions and disposals.

**Prior Year Management Response:** Management agrees with this finding.

In the new Accounting Policy and Procedure Manual, there is a process for property and equipment that allows the Organization to dispose of or write off fully depreciated assets.

During FY 2014, the Chief Operating Officer assigned an employee to list all property and equipment in existence, and there is a draft that needs to be reviewed, so there is a listing of all the Organization's assets in one place. This list will be reviewed at least annually in the future.

**Current Status:** The assets mentioned were added back to the schedule and the full listing was reviewed by management. Those assets that were no longer in existence, or in service, were removed from the listing and the accounts were reconciled to the trial balance.

FS-2013-06

**Condition:** The Organization failed to design and implement procedures to control and monitor the use of the organizations bank accounts.

A test of the controls over the bank reconciliation process identified missing reconciliations for July 2013 for nine bank accounts used for the senior meal site locations, senior wheels program and the Head Start policy council. These bank accounts are reconciled at the individual site/program locations and a copy of the reconciliation is to be sent to the fiscal department for review. The July reconciliations had not been received by the fiscal department as of September 30, 2013, the first date of audit fieldwork. Although the reconciliation had been identified as missing by the Accounting Manager, the Chief Financial Officer had not requested or obtained the missing items. The balances in the account were immaterial however; failure to monitor and enforce controls may create opportunities for fraud or errors to go undetected.

Confirmations of account balances with banking institutions revealed two accounts with the Woodsville Guaranty Savings Bank which were not listed in the financial reporting system and appeared to have been overlooked. The accounts balances were immaterial however, the accounts should be closed if no longer being used. Bank accounts which are not monitored and reconciled may create opportunities for fraudulent activity.

Examination of the operating bank account reconciliation revealed an unusual adjustment related to the line of credit. The operating account is tied to a line of credit which is automatically drawn upon when checks presented for payment exceed the available bank balance. At fiscal year end, the organization had \$96,818 in outstanding checks against a bank balance of \$5,832. The checks had not been presented for payment and therefore the line of credit had not been accessed to cover the overdraft, however, the Organization recorded a reconciliation adjustment to increase cash by the amount of available credit on the line of credit. As a result, the bank balance and the line of credit balance were overstated by the available credit line of \$122,648.

**Recommendation:** Because of the liquid nature of cash, preventative controls should be the first area of focus because controls often identify the error too late to prevent the loss of resources. Management should further refine controls over the bank accounts to strengthen the internal control system.

**Prior Year Management Response:** Management agrees with this finding.

The need for better controls of cash and bank accounts is a priority for the Organization's management. In FY 2014, the Organization closed several smaller, problematic accounts, where getting programs managers to reconcile was a challenge.

The finance department will now reconcile all bank accounts monthly, before the month is closed. The Organization management commits to ensuring that unusual practice, such as writing checks that exceed the available cash, will not take place.

**Current Status:** There were bank reconciliations prepared monthly for all bank accounts and amounts agreed to the trial balance; however, we did note that the Head Start Policy Council bank account was not properly recorded on the trial balance of the Organization and the Guardianship account was being reported on a cash basis, rather than accrual basis, creating two adjusting entries (FS-2014-003).

FS-2013-07

**Condition:** Although the client is preparing a worksheet to reconcile the payroll reports from the payroll module of the accounting system to the quarterly 941 reports, the reconciliation process did not include a reconciliation to the totals per the general ledger accounts. Reconciling to the general ledger is an important control which helps to identify miss-postings which may otherwise go unnoticed due to the large dollar amount and transaction volume processed through the payroll general ledger accounts. This control is especially important at the Organization because the accounting system includes an additional step of posting to a summary account and then allocating the costs to the individual program general ledger accounts. Assuming that the amount posted to the summary account equals the amount posted to the individual program general ledger accounts without verification could create an opportunity for errors or fraud to be undetected.

**Recommendation:** Management should implement procedures to include a quarterly reconciliation of the payroll information to the general ledger accounts.

**Prior Year Management Response:** Management agrees with this finding.

The Organization now has a process for reconciliation of payroll at every payroll period. This reconciliation is conducted by the Organization's senior accountant, and his work is overseen by the Chief Financial Officer. Payroll is now being reconciled down to the individual program general account level through the year-to-date time sheet charges, by the activity report in our accounting system.

**Current Status:** During our testing, we noted that the payroll accounts were properly reconciled to the 941 returns with no exceptions.

FS-2013-08

**Condition:** A general journal entry was posted to record the liability for credit card transactions which were included on a statement which spanned the fiscal year end. The entry correctly recorded the liability, however the expenses were posted to a summary account which was included in miscellaneous expenses rather than posting each expense to the appropriate expense account. As a result, although the liability is correctly recorded, the expense is not reported by natural classification or by function. Additionally, the expense will not be included in expenses which were eligible for grant reimbursement.

**Recommendation:** Procedures should be implemented to ensure that all expenses are posted to the correct general ledger account including those posted through general journal entries.

**Prior Year Management Response:** Management agrees with this finding.

During FY 2014, the Organization created a new credit card policy designed to provide better internal controls, and direct expenses to the programs where they belong. Beginning in FY 2014, the Finance department is recording all outstanding payables down to the grant award level. This should ensure more accurate accounting of expenses, and also allow the Organization to capture all allowable federal and state reimbursements.

**Current Status:** During our testing, we noted that the credit card transactions were appropriately recorded to the proper expense accounts and by function.

FS-2013-09

**Condition:** Procedures over the control of the weatherization/better buildings materials inventory are inadequate.

The Organization purchases inventory in bulk for use by all of the weatherization programs. The materials used by the Better Buildings program are recorded on a worksheet and an entry should be posted at year end to transfer the expense related to the program from a general expense account to a Better Buildings program specific account. The Organization failed to post this entry which caused the Better Building program costs to be understated by approximately \$39,300.

Additionally, the finance department makes one entry at the end of the fiscal year to adjust the balance in the inventory account to agree to the value calculated from a physical count. However, no procedure exists to track and record the value of the items removed from inventory to ensure that all inventory has been accounted for and used for the weatherization programs.

**Recommendation:** The Organization should develop a system which would allow the tracking of items removed from inventory so that the expense can be properly recorded. In this manner, the ending inventory should require minimal adjustment at year end, costs can be properly allocated by program, and any errors or misappropriations can be detected.

**Prior Year Management Response:** Management agrees with this finding.

Prior to FY 2014 there does not seem to have been an adequate system for internal control of the Weatherization materials inventory. Since that time, there has been a change in leadership in the program, and new procedures for tracking inventory.

Currently, as items are removed from inventory and used to weatherize homes, the Weatherization Director tracks each job's actual use of materials, as well as labor and other expenses. The process of tracking expenses and revenues is overseen by the EHCCO Division Director and reported regularly to the Finance department. The CFO reviews these inventory uses, revenues and expenses, and makes value adjustments in the balance sheet quarterly. The Organization now conducts a physical count of materials each quarter, and captures these in journal entries. Finance department has also created a written policy and procedure regarding procurement and inventory management.

**Current Status:** During our testing we found that updated controls were in place over the inventory and that the inventory was being reconciled. The Organization has improved their internal controls over the last fiscal year and is still in the process of making updates to improve their procedures. We noted during our testing of internal controls that there were missing signatures of approval and signs-offs on routing sheets; however, these appear to be isolated incidents.

FS-2013-10

**Condition:** Management failed to design and implement a procedure to ensure that the drawdown of federal funds was only for immediate needs and that reimbursement was requested only after the costs had been incurred.

Advanced funding of \$533,667 for program costs for the fuel assistance program funded through federal CFDA 93.568 was received on 10/31/12. Expenditures for the grant period had not been incurred however the funds were spent on organizational operating expenses.

**Recommendation:** The Organization should continue in its efforts to design and implement procedures to ensure that funds advanced by an awarding agency are expended as closely as possible to receipt of the advance.

**Prior Year Management Response:** Management agrees with this finding.

This particular finding is vital for the Organization's future program integrity. The Organization MUST comply with cash management requirements regarding the drawdown of an awarding agency's funds. Management believes that the spirit of the Auditor's recommendation has been followed in FY 2014. For example, the Organization began a procedure of drawdowns with Head Start and RSVP that guaranteed that funds were not requested until payroll and accounts payable were completed and only represented costs to date. Other major federal accounts such as CSBG were drawn only on a 1/12<sup>th</sup> basis, and FAP monies were segregated into a separate restricted account which prohibited movement of funds without dual signatories from Senior Management.

However, Management commits to taking the additional step of creating a policy and procedure that contains language specifically referencing how monies advanced by an awarding agency are to be treated.

**Current Status:** Corrected.

*Single Audit*

SA-2013-01

**Condition:** Our audit of the controls over the Better Buildings Program revealed that the Organization failed to comply with Davis-Bacon Act wage requirements.

The current year issue was identified and reported by NH Community Development Finance Authority during a monitoring visit in July 2013 and related to the June 2013 payroll. Additionally, we identified issues with the May 2013. Both of these errors were after the fiscal 2012 deficiency letter was issued which identified a similar finding related to the Weatherization Program.

Additionally per the Better Buildings grant document, certified payrolls were to be sent to the NH Office of Energy and Planning within 7 days of payroll processing. The Organization did not comply with this requirement.

**Recommendation:** The Organization should design and implement a system to comply with Davis Bacon Wage requirements.

**Prior Year Management Response:** Management commits to complying with Davis-Bacon Act wage requirements.

As of FY 2014, the Better Buildings program no longer exists. In future, when the Organization takes on projects that are subject to Davis-Bacon, Management will ensure that all requirements under the Act will be met. The Organization will seek the guidance of an employment attorney to ensure its practices are designed to be fully compliant.

**Current Status:** Corrected.

SA 2013-02

**Condition:** The listing of property and equipment did not include any information regarding the source of funds used to acquire or improve each asset. Some of the assets were purchased with federal funds in accordance with grant requirements. However, depreciation related to those assets would not be an allowable expenditure for grant reimbursement. The Organization did not have a procedure in place to identify assets purchased with federal funds and to ensure that the depreciation related to the assets was charged to the correct program for proper financial reporting, but not included in expenses submitted for reimbursement for grant compliance.

**Recommendation:** Procedures should be implemented which would include the identification of assets purchased with federal funds and a mechanism for tracking and posting the related depreciation expense.

**Prior Year Management Response:** Management agrees with this finding.

In FY 2014, the Finance department created a "Federal, un-reimbursable" code in its accounting software, to keep track of non-allowable depreciation expenses.

Starting with a reminder to Program Directors in March, 2014, Management will take the additional step of making sure Program Directors and Finance staff are all well-versed in the requirement to identify assets purchased with federal funds.

**Current Status:** Corrected.

SA 2013-03

**Condition:** Procedures have not been designed or implemented to allocate expenses to grants with periods which differ from the Organization's fiscal year.

The Head Start grant year includes the period of February 1 to January 31 of each year. Because the Organization did not post depreciation on a monthly basis until March of 2013, no depreciation was posted to the grant year which ended on January 31, 2013. However, 12 months of depreciation was posted to the grant year ending January 31, 2014 although only 5 months of depreciation was attributable to this time frame.

Similarly, in-kind occupancy costs were not allocated to the correct grant year. No in-kind occupancy costs were charged to the grant year which ended on January 31, 2013. Instead all in-kind occupancy costs were charged to the grant year ended January 31, 2014.

**Recommendation:** Posting expenses on a monthly basis will help to alleviate issues related to differing grant periods. However, careful review of financial information by an individual independent of the preparation will help to identify errors with calculations and application of allocation methods.

**Prior Year Management Response:** Management agrees with this finding.

It appears that when the Organization began posting expenses on a monthly basis, this was a step in the right direction. But it also appears that initially, a careful review of the information reported was not done.

Management appreciates the Auditor's suggestion that the Organization should not only post expenses on a monthly basis, but also provide a careful review by someone not involved in the preparation, as a check against errors. The current process is that the Senior Accountant prepares the journal entries for grant accounts monthly, and these entries are reviewed and approved by the Chief Financial Officer monthly.

**Current Status:** Corrected.

SA 2013-04

**Condition:** Controls over the accumulation of allowable costs and related reimbursement requests for the Better Buildings program were inadequate.

Testing of reimbursement requests for 3 out of 10 requests submitted during the fiscal year identified 2 out of the 3 requests selected could not be reconciled to the financial reporting system. In both cases, the administrative costs did not agree to the financial reports. Additionally, in one case the program costs did not agree to the financial reports. Of the 3 requests tested, 2 requests were not approved by the appropriate personnel.

Because the grant remained open after the current fiscal year end, the Organization had an opportunity to research and correct the issue prior to the grant close out.

**Recommendation:** Procedures must be designed and implemented which provide for the accumulation of information which will allow for an accurate reimbursement request, supported by verifiable data to be prepared.



**Prior Year Management Response:** Management agrees with this finding.

The new Weatherization Director has begun a reconciling process using accounting software to put together reimbursements. He also obtains signatures of senior staff, who review his work prior to transmission of billing. This practice was begun October 2013 and continues today.

**Current Status:** Corrected.

SA 2013-05

**Condition:** In testing expenditures for the Head Start program, we noted numerous reimbursement requests which lacked the employee's signature and the approval of the supervisor.

**Recommendation:** We recommend that procedures be implemented which would require proper approval of all invoices, including expense reimbursements prior to payment.

**Prior Year Management Response:** Management agrees with this finding.

In FY 14 a process was created where any employee requesting reimbursement is required to prepare and sign the employee reimbursement form. A supervisor is required to review and approve the reimbursement, and the Payroll Accountant is required to review the reimbursement and make sure it was free of error, charged to the correct expense and element codes, accompanied by adequate backup documents and appropriately approved. The Payroll Accountant then requests the Chief Financial Officer signature on the document before release of payment.

**Current Status:** Corrected.

SA 2013-06

**Condition:** In testing reporting required for the Aging cluster, we noted that the reports for the quarter ended June 2013 were filed late for both the transportation program as well as the senior meals program. Additionally we noted that the number of trips reported on the March quarterly report for transportation reported 64 fewer trips than were actually reimbursed. Further inquiry with the Program Director revealed that the trips were properly reimbursed but were mistakenly left off the quarterly report.

It was also noted that on the Aging cluster quarterly program service reports, the amounts reported as expenditures of the program were incorrect.

**Recommendation:** We recommend that procedures be implemented which would require a reconciliation of supporting data to the quarterly reports. We also recommend that a schedule be developed to ensure timely filing of reports.

**Prior Year Management Response:** Management agrees with this finding.

In FY14 a process will be developed to ensure the timely filing of accurate reports.

**Current Status:** Corrected.

# **TRI-COUNTY COMMUNITY ACTION PROGRAM Inc.**

**Serving Coos, Carroll & Grafton Counties**

30 Exchange Street, Berlin, NH 03570 • (603) 752-7001 • Toll Free: 1-800-552-4617 • Fax: (603) 752-7607  
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Chief Executive Officer: Michael W. Coughlin



## **BOARD OF DIRECTORS FY2015**

### **COOS COUNTY**

Board Chair  
Sandy Alonzo  
Teacher

Treasurer  
Cathy Conway  
Vice President- Economic  
Development - NCIC

Secretary  
Gary Coulombe  
Firefighter

Andrew Lefebvre  
Teacher

### **CARROLL COUNTY**

Anne Barber  
Attorney

Michael Dewar  
Business Owner

Vice Chair  
Dino Scala  
Business Owner

Karolina Brzozowska  
Rehab Specialist

### **GRAFTON COUNTY**

Nancy Kitchen  
Animal Trainer-  
Squam Lakes Science Center

Linda Massimilla  
State Representative

Weatherization  
(603) 752-7105

Administration  
(603) 752-7001

AOD  
(603) 752-7941



Community Contact  
(603) 752-3248

R.S.V.P.  
(603) 752-4103

Energy Programs  
(603) 752-7100

Christopher W. Kempton, D.D.S.

**Objective:**

I am guided by a desire to be helpful and to put my skills to work.

**Education:**

Broward Community College, Davie, Florida

1973-1975

University of Florida, Gainesville, Florida

1977-1979

Emory University School of Dentistry, Atlanta GA

National Health Service Scholar and Advocate at Emory University

1979-1984

**Work History:**

Southside Medical Center, Atlanta, GA

1985-2007

Families First Health and Support Center, Portsmouth, NH

2007-2009

Aspen Dental, Concord and Rochester, NH

2009-2010

Tamworth Dental Center, Tamworth, NH

2010 to Present

Hillsborough County Department of Corrections, Manchester, NH

2013 to Present

**Memberships:**

North Country Dental Society

New Hampshire Dental Society

American Dental Association

**Tri-County Community Action Program Inc.**

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Michael Coughlin	Chief Executive Officer	\$140,000	0.00%	\$0
Robert Boschen	Chief Financial Officer	\$100,000	0.00%	\$0
Dr. Christopher Kempton	Dentist	\$135,000	0.00%	\$0
Crystal Buswell	Dental Hygienist	\$41,472	0.00%	\$0