

GA

MIT  
37



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF HUMAN SERVICES  
*BUREAU OF HOMELESS AND HOUSING SERVICES*

Nicholas A. Toumpas  
Commissioner

Mary Ann Cooney  
Associate Commissioner

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

September 10, 2013

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

RETROACTIVE  
32% Federal funds  
68% General funds

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Bureau of Homeless and Housing Services to enter into a **retroactive** Agreement with Tri-County Community Action Program Inc. (Vendor Code 177195), to provide services to homeless individuals, in an amount not to exceed \$655,413. This amount represents an award effective retroactive to July 1, 2013 upon Governor and Council approval, through June 30, 2015.

Funds to support this request are available in the following account in State Fiscal Years 2014 and 2015 upon the availability and continued appropriation of funds in the future operating budgets with the authority to adjust amounts within the price limitation and amend the related terms of the contract without further approval from Governor and Executive Council.

**05-95-42-423010-7925 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:HUMAN SERVICES, HOMELESS & HOUSING, HOMELESS HOUSING ACCESS FUND**

Fiscal Year	Appropriation	Class/Object	Class Title	
2014	05-95-42-423010-7925	102-500731	Contracts for program services	\$8,325.00
2015	05-95-42-423010-7925	102-500731	Contracts for program services	\$8,325.00
Total				\$16,650.00

**05-95-42-423010-7926 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:HUMAN SERVICES, PATH GRANT**

Fiscal Year	Appropriation	Class/Object	Class Title	
2014	05-95-42-423010-7928	102-500731	Contracts for program services	\$79,829.00

**05-95-42-423010-7928 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:HUMAN SERVICES, HOMELESS & HOUSING, EMERGENCY SHELTERS**

Fiscal Year	Appropriation	Class/Object	Class Title	
2014	05-95-42-423010-7928	102-500731	Contracts for program services	\$214,373.00
2015	05-95-42-423010-7928	102-500731	Contracts for program services	\$214,373.00
Total				\$428,746.00

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

<b>Fiscal Year</b>	<b>Appropriation</b>	<b>Class/Object</b>	<b>Class Title</b>	
2014	05-95-42-423010-7927	102-500731	Contracts for program services	\$130,188.00

**EXPLANATION**

This request is **retroactive** because of a delay in issuing this contract to the vendor.

**State Grant-In-Aid**

The Vendor will utilize State of New Hampshire Emergency Shelter Program Grant-In-Aid in combination with matching funds pursuant to these Agreements for Essential Services, such as assistance in finding permanent housing, employment counseling, substance abuse counseling, assistance in accessing other community services, and staff salaries and benefits; and Prevention/Intervention Services, such as payment of utilities arrearage, back rent with eviction notice, or mortgage arrearage with foreclosure notice. Such activities help negate instances where households are threatened by immediate homelessness.

**Homeless Housing and Access Fund**

The Vendor shall also utilize Homeless Housing and Access Revolving Loan Funds to provide loans for the first month of rent and/or security deposit for homeless individuals and families. To be eligible, applicants shall have no permanent address and shall be residing temporarily in a shelter for the homeless, a hotel, a motel, the home of another household designed for occupancy by only one household, or entirely without shelter. Repayment terms of the loans are determined by the contracted agencies. The Homeless Housing and Access Revolving Loan Fund continues to expand the capacity of the Housing Security Guarantee Program by providing one month's rent in addition to the security deposit. This program assists homeless individuals and families in securing affordable housing that they have previously not been able to secure due to lack of resources.

A Request for Proposal for the State Grant-in-Aid funds was issued at the annual NH Homeless Provider and Homeless Education Liaison Conference on October 24, 2012. The Request for Proposal was also posted on the Department of Health and Human Services' website. Criteria for selection included: proposal includes all elements and is assembled as required; program design and need for project; performance measures and identified outcomes; coordination with community organizations and resources; involvement with Continuum of Care/Local Service Delivery Area; soundness of approach; cost proposal, budget and leveraging of resources; accurate and timely utilization of Homeless Management Information System; staff experience and credentials; compliance with rules, statutes and life safety codes; increase in bed capacity; and increase in prevention/intervention or essential services. Each applying organization was required to submit a separate proposal for each program, which allowed for budgets and program models to be evaluated independently. Fifty (50) separate proposals that could be funded through State Grant-In-Aid, from 35 organizations, were evaluated and scored.

The Bureau assures contract compliance and provider performance through the following:

- 1) Annual compliance reviews are performed, including the collection of data relating to compliance with administrative rules and contractual agreements;
- 2) Statistical reports are submitted on a semi-annual basis from all funded providers, including various demographic information reports, as well as income and expense reports, including match dollars; and

3) All providers funded for shelter, transitional housing, or outreach services will be required to maintain timely and accurate data entry on the New Hampshire Homeless Management Information System, unless they are required by law to use an alternate data collection. The NH Homeless Management Information System will be the primary reporting tool for outcomes and activities of shelter and housing programs funded through these contracts.

#### Homeless Outreach Intervention Prevention

This agreement also provides funds from the Department of Housing and Urban Development Supportive Housing Demonstration for Homeless Outreach Intervention Prevention (HOIP). HOIP is a collaborative project between Community Action Agencies and the State of NH, Bureau of Homeless and Housing Services. It is designed to provide aggressive street outreach and intervention services to the unsheltered homeless throughout the state. The Bureau has administered this program for 18 years. The Department of Housing and Urban Development requires a Continuum of Care process for communities seeking these funds. A Continuum is a coordinated planning approach to setting priorities for the housing and service needs of homeless people within a specific area. The Continuum includes broad participation of community stakeholders. Through this process, New Hampshire submits an annual application in response to the Department of Housing and Urban Development's Notice of Funding Availability. Once the Notice is announced, the Bureau notifies all participants in the Continuum to submit project applications. The Department of Housing and Urban Development scores the application and awards funding based on their criteria. The Bureau receives notification from the Department of Housing and Urban Development several months later regarding the awards.

In 1994, with input from providers throughout the country, the Department of Housing and Urban Development developed the Continuum concept to support communities in their efforts to address the problems of housing and homelessness in a coordinated, comprehensive, and strategic fashion. The Continuum serves three main purposes: (1) a strategic planning process for addressing homelessness in the community; (2) a process to engage broad-based, community-wide involvement in addressing homelessness on a year-round basis; and (3) an opportunity to submit an application to the Department of Housing and Urban Development for resources targeting housing and support services for homeless individuals and families. Although law does not mandate the Continuum, in order to obtain Department of Housing and Urban Development housing and support services resources, communities must conduct a Continuum process and submit a Continuum application to the Department of Housing and Urban Development.

The Vendors will utilize the Supportive Housing Grant funds and matching funds for essential services and operations of the Homeless Outreach Intervention Program, such as assistance in obtaining emergency shelter, staff wages and benefits, client emergency assistance, and transportation. It is anticipated that the contract will serve approximately 200 individuals statewide.

The Bureau assures contract compliance and provider performance through the following: 1) annual compliance reviews are performed, including the collection of data relating to compliance and contractual agreements; and 2) statistical reports are submitted on a monthly basis from all Homeless Outreach Intervention Prevention providers, including various demographic information and monthly billing invoices, including expense reports and program match dollars.

#### Projects for Assistance in Transition from Homelessness

This agreement also provides funds from the Substance Abuse and Mental Health Administration for Projects for Assistance in Transition from Homelessness. The Vendor, a nonprofit organization, shall utilize Projects for Assistance in Transition from Homelessness funds to provide services to individuals with serious mental illness or who have both serious mental illness and substance use disorders and

are homeless or at imminent risk of being homeless. The primary emphasis of New Hampshire's Projects for Assistance in Transition from Homelessness is the outreach and engagement into services and housing of Projects for Assistance in Transition from Homelessness eligible individuals. Services provided through this program will include: outreach, screening and diagnostic treatment, community mental health services, training and case management. Projects for Assistance in Transition from Homelessness case management services include: assistance in obtaining and coordinating services for eligible homeless individuals, assistance to eligible individuals in obtaining income support services, including housing assistance, food stamps, and supplementary security income benefits, and referrals for such other services as may be appropriate such as referrals for primary health care, mental health treatment, and substance abuse treatment. It is anticipated that the contractor will serve approximately 300 individuals.

A Request for Proposal for PATH (Project for Assistance in Transition from Homelessness) funding was issued at the annual NH Homeless Provider and Homeless Education Liaison Conference on October 24, 2012. The Request for Proposal was also posted on the Department of Health and Human Services' website. As a result of this RFP, seven (7) proposals were received, evaluated and scored. All proposals met or exceeded the minimum score required for funding.

Should the Governor and Executive Council not approve this Request, shelter and homeless prevention resources for people who are homeless may not be available in their community, and there will be an increase in demand statewide placed upon local welfare authorities. People who are without housing and resources will resort to seeking local shelter in places that are not fit for people to live in, or will attempt to travel to shelters in other communities. This will increase the likelihood that homeless people will be in danger of injury or death, and will be cut off from basic supports for health, education and treatment. Numerous jobs would also be lost since the shelter and/or resource agencies would have to close their doors or drastically reduce staff.

Area served: Coos, Carroll and Grafton Counties

Source of funds:

State Grant in Aid- 100% General Funds, \$428,746

Homeless Housing and Access Fund – 100% General Funds, \$16,650

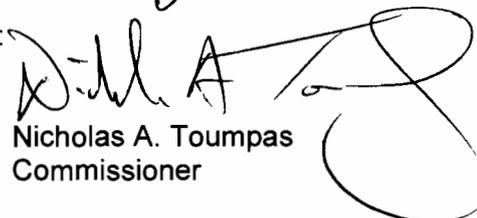
Homeless Outreach Intervention Program- 100% Federal Funds, \$130,188

PATH – 100% Federal Funds, \$ 79,829

Respectfully submitted,

  
Mary Ann Cooney  
Associate Commissioner

Approved by:

  
Nicholas A. Toumpas  
Commissioner

A Request for Proposal for state funding was issued at the annual NH Homeless Provider and Homeless Education Liaison Conference on October 24, 2012. The Request for Proposal was also posted on the Department of Health and Human Services' website.

<b>Homeless Housing Access Revolving Loan Fund Programs</b>	<b>Evaluation Score</b>
The Way Home	98.5
Front Door Agency	97
Tri-County Community Action Program, Inc	96
Southern New Hampshire Services	94
Southwestern Community Services	84.5
Belknap-Merrimack Community Action Program, Inc	81

As a result of this RFP, six proposals were received, evaluated and scored. All proposals met or exceeded the minimum score required for funding.

Criteria for selection included: proposal includes all elements and is assembled as required; program design and need for project; performance measures and identified outcomes; staff experience and credentials; coordination with community organizations and resources; involvement with Continuum of Care/Local Service Delivery Area; soundness of approach; cost effectiveness and leveraging of resources; and compliance with rules and statutes.

A Request for Proposal for PATH (Project for Assistance in Transition from Homelessness) funding was issued at the annual NH Homeless Provider and Homeless Education Liaison Conference on October 24, 2012. The Request for Proposal was also posted on the Department of Health and Human Services' website.

<b>PATH (Project for Assistance in Transition from Homelessness)</b>	<b>Evaluation Score</b>
Mental Health Center of Greater Manchester	93
Greater Nashua Mental Health Center at Community Council	90
Center for Life Management	90
Riverbend Community Mental Health Center	88
Tri-County Community Action Program	85
Monadnock Family Services	79
Seacoast Mental Health Center	75

As a result of this RFP, seven proposals were received, evaluated and scored. All proposals met or exceeded the minimum score required for funding.

Criteria for selection included: proposal includes all elements and is assembled as required; programs provides coordinated and comprehensive services to eligible PATH clients; program effectively identifies the number of individuals contacted through outreach and the percentage of those who are enrolled in PATH; program design prioritizes services to people who are literally homeless; program demonstrates effective access for PATH enrolled clients into the local community mental health systems; consumers are included in all aspects of the program; program complies with statues, rules and contract provisions; high level of service delivery area coordination and leveraging of resources; program uses clear performance measures to demonstrate outcomes achieved; program emphasizes services to veterans; degree of staff diversity and cultural competency; program has staff with skills; credentials and experience necessary to effectively carry out proposed project; and detailed budget supports the capacity of the PATH program proposed.

The review committee consisted of the following individuals:

- Chip Maltais, Bachelor's Degree General Science, Coordinator, Adult and Forensic Services, Bureau of Behavioral Health, NH Department of Health and Human Services
- Lee Ustinich, Masters of Science, State Planning and Review Specialist, Bureau of Behavioral Health, NH Department of Health and Human Services
- Michael Lawless, MSW, LADC, Program Specialist IV, Division of Community Based Care Services, Bureau of Drug and Alcohol Services, Clinical Services Unit, NH Department of Health and Human Services

- Lorrie Ripley, Training and Development Program Coordinator, Bureau of Behavioral Health, NH Department of Health and Human Services

A Request for Proposal for state funding was issued at the annual NH Homeless Provider and Homeless Education Liaison Conference on October 24, 2012. The Request for Proposal was also posted on the Department of Health and Human Services' website.

<b>Shelter Programs</b>	<b>Evaluation Score</b>	<b>HMIS Utilization</b>	<b>Total Score</b>
Laconia Area Community	98	9.8	107.8
Front Door Agency	95	10	105
Families in Transition - Concord	92.5	10	102.5
Helping Hands Outreach Ministries	92	8.6	100.6
Families in Transition - Family Place/Amherst	90.5	10	100.5
New Horizons for New Hampshire	90.5	9.5	100
Greater Nashua Council on Alcoholism (Keystone Hall)	90	9.8	99.8
Families in Transition - Lowell St	89.5	10	99.5
Families in Transition - Family Place/Spruce St	89.5	10	99.5
Bridge House	90.5	8.6	99.1
Nashua Soup Kitchen and Shelter, Inc	88.5	10	98.5
Child and Family Services of New Hampshire	88	10	98
The Way Home	88.5	9.4	97.9
Families in Transition - Family Willows/Millyard II	88	9.2	97.2
Families in Transition - Manchester Emergency	86.5	10	96.5
Marguerite's Place, Inc	86.5	10	96.5
Harbor Homes Inc	86.5	9.8	96.3
Salvation Army - Laconia (Carey House)	87	9.1	96.1
Cross Roads House, Inc	84.5	10	94.5
Greater Nashua Interfaith Hospitality Network	85.5	8	93.5
My Friend's Place	82.5	9.5	92
NH Coalition Against Domestic and Sexual Violence	83	8	91
Samaritans (Mary's Place)	81	9	90
Southwestern Community Services - Claremont	80.5	8.5	89
New Generations, Inc	79	9.6	88.6
Friends Program	78.5	10	88.5
First Congregational Church	81.5	6.5	88
Salvation Army - Concord (McKenna House)	78	10	88
Southwestern Community Services - Keene	80.5	7	87.5
Headrest, Inc	79	4.7	83.7
Veteran Homestead, Inc	75.5	8	83.5
Tri-County Community Action Program, Inc (Tyler Blaine)	75.5	7.5	83

<b>Prevention Programs</b>	<b>Evaluation Score</b>
AIDS Response Seacoast	103
Southwestern Community Services	99
The Way Home	99
NH Legal Assistance	98.5
Harbor Homes, Inc	98
St. John Neumann Church Outreach	98
Front Door Agency	97
Merrimack Valley Assistance Program	96.5
Belknap-Merrimack Community Action Program, Inc - New Start	96

Strafford County Community Action Committee, Inc	95
Belknap-Merrimack Community Action Program, Inc - Prevention	93
NH 211 (United Ways of New Hampshire) - Hotel	92.5
NH 211 (United Ways of New Hampshire) - Hotline	92
Child and Family Services of New Hampshire	91
Southern New Hampshire Services	89
Southern New Hampshire Services (Rockingham Program)	89
Tri-County Community Action Program, Inc	71
Veteran Homestead, Inc	61

Due to the quantity of proposals received, the reviewers were organized into twelve (12) teams, which met and presented their final evaluations and scores. The review committee teams included the following individuals:

- Natalie Allen, BA, MBA, Retired NH Department of Health and Human Services Employee – Over 30 years of social services most recently as a Community Relations Manager, served on the Local Service Delivery Areas of Concord and Laconia, and as a member of the Balance of State Continuum of Care
- Michael Bilson, BA, Program Planner I, Office of Consumer and Family Affairs, Bureau of Behavioral Health, Division of Community Based Care Services, NH Department of Health and Human Services
- John Capuco, Psy. D, Administrator, Bureau of Developmental Services, Division of Community Based Care Services, NH Department of Health and Human Services
- Christopher Cullinan, BA, MPA, Manager of Ryan White CARE Program, Division of Public Health, NH Department of Health and Human Services
- Sharon Drake, BS, Chief Executive Officer, Serenity Place (an NCADD Affiliate)
- Margaret Fogarty, MA, BA, Economic Justice Project Coordinator, American Friends Service Committee
- Ellen Fries, BA, Concord Coalition to End Homelessness
- Sherry Gould, Director, Wijokadoak, Inc
- Bill Guinther, BA, Program Policy Analyst at New Hampshire Housing Finance Authority (NHHFA)
- Janet Horne, Business Systems Analyst I, Bureau of Behavioral Health, Division of Community Based Care Services, NH Department of Health and Human Services
- David Keller, Former Minister at Concord's First Congregational Church
- Janine A Lesser, BS, MS, Child Care Program Specialist IV, TANF Policy Unit, Division of Family Assistance, NH Department of Health and Human Services
- Sandra Matheson, Director, State Office Victim/Witness Assistance, NH Attorney General's Office
- William McGonagle, Assistant Commissioner, NH Department of Corrections
- Niki Miller, MS, Senior Project Associate at Advocates for Human Potential, formerly Administrator of Women Offenders for NH Department of Corrections

- Karen Orsini, MSN, RN, Director of Quality Improvement, Bureau of Behavioral Health, Division of Community Based Care Services, NH Department of Health and Human Services
- Linda J Parker, BS, CPM, Program Specialist IV, Division of Community Based Care Services, NH Department of Health and Human Services
- Bernadette Pelczar, BA, MSW, Social Worker
- Kimberly Perez, PhD, Family HIV Program Manager, Dartmouth-Hitchcock
- Myriam Roeder, Adoption Manager, Division of Child, Youth and Families, NH Department of Health and Human Services
- Todd Ringelstein, Program Planning and Review Specialist, Division of Developmental Services, NH Department of Health and Human Services
- Michael Rogers, MHA, MT, MC, Assistant Administrator, Bureau of Drug and Alcohol Services, Division of Community Based Care Services, NH Department of Health and Human Services
- Marianne Savarese, BS, RN, Project Director of Health Care for the Homeless Program
- Barbara Thorngren, M.Ed, Collaborative Education Consultant for PeaceWorks New Hampshire, LLC
- Kristina Toth, BA, Administrator, Family Connections Center, NH Department of Corrections
- Sally Varney, BA, Program Planning and Review Specialist, Division of Community Based Care Services, NH Department of Health and Human Services
- Dave Villiotti, MS, Executive Director, Nashua Children's Home
- Donna Walker, BBA, MBA, Business Administrator IV, Bureau of Behavioral Health, Division of Community Based Care Services, NH Department of Health and Human Services
- Kathleen Walton, Masters in Human Service Administration, Human Service Director, Town of Salem

A funding distribution formula for State Grant-In-Aid was designed during March 2013, based on the most current projections of State Fiscal Years 2014 and 2015 funding available at that time. This total was approximately 4% more than the State Fiscal Years 2012 and 2013 total of State Grant-In-Aid funding. One prevention program, Veteran Homestead, Inc, received a score of 61, which was below the guideline score of 65; therefore, they were only awarded level funding for their program. One shelter program, Veteran Homestead, Inc, was not funded, especially when taking into consideration the placement of the proposal in the rankings of the shelter program scores, because the proposal was for a new shelter request and not a renewal shelter request.

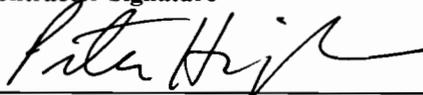
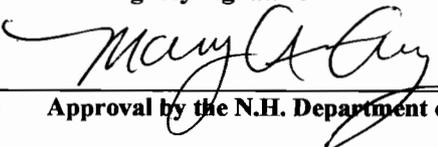
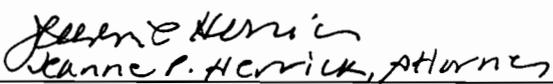
Subject: State Grant-In-Aid Funds and Homeless Outreach and Prevention Program

**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 and Human Services Office of 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> 05-95-42-423010-7925 05-95-42-423010-7927 05-95-42-423010-7928 05-95-42-423010-7926	<b>1.7 Completion Date</b> June 30, 2015	<b>1.8 Price Limitation</b> \$ 655,413.00
<b>1.9 Contracting Officer for State Agency</b> Maureen U. Ryan, Bureau Administrator		<b>1.10 State Agency Telephone Number</b> (603) 271-9197	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> Peter Higbee, Chief Operating Officer	
<b>1.13 Acknowledgement:</b> State of <u>NH</u> , County of <u>Coes</u> On <u>8/26/13</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> 			
<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> Mary Ann Cooney Associate Commissioner	
<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:  Jeanne P. Herrick, Attorney On: <u>13 Sept. 2013</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: PH  
Date: 8.26.13

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.



Exhibit A

**SCOPE OF SERVICES**

**State Grant In Aid Program**

1. PROVISIONS APPLICABLE TO ALL SERVICES:

- 1.1. Except as otherwise modified in paragraphs of EXHIBIT A, the Contractor agrees to comply with the program narrative, budget detail and narrative, and amendments thereto, for Services, operations, prevention, acquisition, or rehabilitation as approved by the Bureau of Homeless and Housing Services, Office of Human Services, Department of Health and Human Services, hereafter referred to as the State.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may impact on the Services described herein, the State has the right, following consultation with the Contractor, to modify service priorities and expenditure requirements for the funds provided under this Agreement so as to achieve compliance therewith.
- 1.3. The Contractor shall pursue any and all appropriate public sources of funds that are applicable to the funding of the Services, operations, prevention, acquisition, or rehabilitation. Appropriate records shall be maintained by the Contractor to document actual funds received or denials of funding from such public sources of funds.
- 1.4. The Contractor shall provide semiannual and annual report information data by service modality describing the number of unduplicated cases served, units of services rendered, and staff required to provide the service, as may be required by the State. Monthly reports may be required at the discretion of the State. Reports shall include, but are not limited to, details of progress and achievements toward the following key program outcomes:
  - 1.4.1. Shelter Goals
    - 1.4.1.1. 46% of program participants will exit the program to permanent housing.
    - 1.4.1.2. The average length of stay in this program will be reduced by 5%.
    - 1.4.1.3. Target of 80% of shelter guests receive primary health care.
  - 1.4.2. Prevention Goals
    - 1.4.2.1. 70% of households that receive this prevention assistance will achieve immediate housing stability.
    - 1.4.2.2. At least 60% of households that receive this prevention assistance will not experience and episode of homelessness within 12 months.
    - 1.4.2.3. HMIS will be up and running through all 3 counties.
- 1.5. All programs under this contract that are emergency shelters, transitional programs or permanent programs are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Current NH HMIS policy can be accessed electronically through the following website: <http://www.nh-hmis.org>.
- 1.6. Failure to submit the above reports or enter data into HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by the State.

2. SERVICES:

The Contractor hereby covenants and agrees that during the term of this Agreement, it will provide services in accordance with the description(s) cited below:

- 2.1. New Hampshire Emergency Shelter State Grant-In-Aid Program RSA 126-A:25, 126-A:27, 126-A:28, 126-A:29, and 126-A:63 as well as He-M 314
- 2.2. Contractor shall use the New Hampshire Emergency Shelter State Grant-In-Aid funds for:
  - Prevention/Intervention Services, such as rent with eviction notice, mortgage with foreclosure notice, utilities with disconnect notice, and other activities to prevent homelessness.



Exhibit A

- Essential Services, such as assistance in finding permanent housing, employment counseling, substance abuse counseling, assistance in accessing other community services, and staff salaries and benefits.
- Operations Activities, including shelter operational costs such as rent, utilities, insurance, and supplies.
- Homeless Housing and Access Revolving Loan Fund, to provide loans for the first month of rent and/or security deposit for homeless individuals and families.

Service Locations:  
Tyler Blain House  
56 Prospect Street  
Lancaster NH 03584



**Exhibit A**

**PATH**

Contractor shall use Projects for Assistance from Homelessness (PATH) funds to provide services to individuals with serious mental illness or who have both serious mental illness and substance use disorders and are homeless or at imminent risk of being homeless. The primary emphasis of New Hampshire's PATH Program is the outreach and engagement into services and housing of PATH eligible individuals. Services provided through this program will include: outreach, screening and diagnostic treatment, community mental health services, training and case management. PATH case management services include: assistance in obtaining and coordinating services for eligible homeless individuals, assistance to eligible individuals in obtaining income support services, including housing assistance, food stamps, and supplementary security income benefits, and referrals for such other services as may be appropriate including referrals for primary health care.

**Homeless Outreach and Prevention Program (HOIP)**

1. Provisions applicable to HOIP services:

- 1.1. Programs contracted to provide HOIP services must maintain client level data as required by the State. All contracted programs licensed to provide client level data into New Hampshire Homeless Management Information System (NH HMIS) shall utilize the Entry-Exit process for every client entered into NH HMIS. Entry/Exit dates and outreach contact assessments must be completed within 45 days of initial contact. Outreach contract providers who are not currently entering client level data into NH HMIS must provide Homeless Outreach Contact Forms for clients seen the first 15 days of the month and the last 15-16 days of the month within 5 business days to the State.

2. Services:

Contractor shall utilize Supportive Housing Grant Funds and matching funds for essential services and operations of the Homeless Outreach and Intervention Program (HOIP) including staff wages and benefits. Services include outreach and engagement with unsheltered homeless persons, basic needs assessment, assistance in obtaining emergency shelter, client emergency assistance, transportation, and linkages to needed services or benefits.



**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**State Grant In Aid Program and Projects for Assistance in Transition from Homelessness**

The following financial conditions apply to the scope of services as detailed in Exhibit A – State Grant In Aid Program and Projects for Assistance in Transition from Homelessness.

NH General Funds:

SFY14 not to exceed \$222,698.00  
SFY15 not to exceed \$222,698.00

Federal Funds:

CFDA #: 93.150  
Federal Agency: Substance Abuse and Mental Health Services Administration  
Program Title: Projects for Assistance in Transition from Homelessness  
Total Amount  
not to exceed: \$79,829.00

1. PROGRESS REPORTS:  
Semi-annual and annual financial and statistical progress reports which identify the status of the Services performed, the outlook for completion of the remaining services prior to the Completion Date and the changes, if any, which need to be made to the services, shall be submitted by the 15th of the month following the end of each six month period on forms supplied by the State.
2. PROJECT COSTS; PAYMENT OF PROJECT COSTS; REVIEW BY THE STATE
  - 2.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Services, as determined by the State to be eligible and allowable for payment.
  - 2.2. Payment of Project Costs: Subject to the general provisions of this Agreement and in consideration of the satisfactory completion of the Services to be performed under this Agreement, the State agrees to purchase from the Contractor, in the amount not to exceed and for the specific time period specified above.
  - 2.3. The Contractor shall submit documentation of expenditures of Project Costs at the conclusion of each monthly period or any other such schedule as may be required. In no event shall the funds provided exceed the amounts specified above.
  - 2.4. Review by the State, Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the semiannual reports, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review, the State shall disallow any items of expense which are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not been made, it shall refuse to pay such costs.
3. LINE ITEM TRANSFERS:  
No more than 10% of funds in each budget line can be transferred between line items as appears on the budget page without the prior written authorization from the State. Any expenditures which exceed the approved budgets shall be solely the financial responsibility of the Contractor. However, such excess expenditures may be covered by the transfer of other funds where such transfer is permissible by this Agreement. In any event, the Contractor shall be required to continue providing the Services specified in this Agreement. The Contractor shall make no adjustments so as to incur additional expenses in State funded programs in subsequent years without prior written authorization from the State.

New Hampshire Department of Health and Human Services  
 State Grant In Aid and Homeless Outreach and Prevention Program  
 Exhibit B



State Grant In Aid Program Budget detail

EXPENSE BUDGET for SFY14 and SFY15:

EXPENSE ITEM	State GIA Funds	Match
<b>Prevention/Intervention (Prevention Program)</b>	<b>\$102,438.00</b>	<b>\$102,438.00</b>
Rent with eviction notice, mortgage with foreclosure notice, utilities with disconnect notice, and other activities to prevent homelessness	0	0
<b>Essential Services (Prevention Program)</b>	<b>\$33,719.00</b>	<b>\$33,719.00</b>
Assistance in finding permanent housing, employment counseling, substance abuse counseling, assistance in accessing other community services and staff salaries and benefits	0	0
<b>Essential Services (Tyler Blain House)</b>	<b>\$292,589.00</b>	<b>\$292,589.00</b>
Shelter operational costs such as rent, utilities, insurance, supplies and taxes	0	0
<b>PATH</b>	<b>\$79,829.00</b>	<b>\$79,829.00</b>
<b>Homeless Housing and Access Revolving Loan Fund</b>	<b>\$16,650.00</b>	<b>N/A</b>
<b>TOTALS</b>	<b>\$525,225.00</b>	<b>\$508,575.00</b>
<b>TOTAL GIA+Match</b>	<b>\$1,033,800.00</b>	

**Homeless Outreach and Prevention Program**

The following financial conditions apply to the scope of services as detailed in Exhibit A – Homeless Outreach and Prevention Program.

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

NH General Fund: Not applicable  
 Federal Funds:  
 CFDA #: 14.235  
 Federal Agency: U.S. Department of Housing & Urban Development  
 Program Title: Supportive Housing Program  
 Total Amount Supportive Housing Program;  
 SFY14: not to exceed \$130,188.00

1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing and administration utilizing funds provided through the U.S. Department of Housing and Urban Development (HUD) Supportive Housing Program, in an amount not to exceed and for the time period specified above.

**New Hampshire Department of Health and Human Services  
State Grant In Aid and Homeless Outreach and Prevention Program  
Exhibit B**



**2. REPORTS.**

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

- 2.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with the regulations that implement OMB Circular A-133. Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State.
- 2.2. Where the Contractor is not subject to the requirements of OMB Circular A-133, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.
- 2.3. Progress Reports: Semiannual and annual financial and statistical progress reports which identify the status of the Services performed, the outlook for completion of the remaining services prior to the Completion Date and the changes, if any, which need to be made to the services, shall be submitted by the 15th of the month following the end of each six month period on forms supplied by the State.

**3. PROJECT COSTS: PAYMENT SCHEDULE; REVIEW BY THE STATE.**

- 3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in OMB Circular A-87 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of OMB Circular A-122.
- 3.2. Payment of Project Costs: Subject to the general provisions of this Agreement and in consideration of the satisfactory completion of the Services to be performed under this Agreement, the State agrees to purchase from the Contractor, in the amount not to exceed the Price Limitation set forth in block 1.8. of the General Provisions of the Agreement. The State agrees to provide funds for homeless services in payments in accordance with such other schedules as may be required by the U.S. Department of Housing and Urban Development under the provisions of 24 CFR Part 576, Emergency Shelter Grants Program; Stewart B. McKinney Homeless Assistance Act and all applicable regulations. The Contractor shall submit documentation of expenditures of Federal funds at the conclusion of each bimonthly period or any other such schedule as may be required. In no event shall the funds provided exceed the Price Limitation set forth in block 1.8. of the General Provisions. Upon release of additional Federal funding to the State, Contractor may invoice for balance of contracted amount as specified in block 1.8 based on documentation of expenditures.
- 3.3. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Quarterly Reports, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture pursuant to 24 CFR Subsection 576.55. The funds authorized to be expended under this Agreement shall be used only for operations, supportive services, leasing and administration or reimbursement for expenditures for operations, supportive services, leasing and administration, provided by the Contractor for the project period and operating years of the Supportive Housing Program as approved by HUD and in accordance with the Supportive Housing Program Regulations, published at 24 CFR Part 583.

**4. USE OF GRANT FUNDS.**

**New Hampshire Department of Health and Human Services  
State Grant In Aid and Homeless Outreach and Prevention Program  
Exhibit B**



- 
- 4.1. The State agrees to provide payment for actual costs, up to the Total Program Amount as defined in this Exhibit, as defined by HUD under the provisions of P.L. 102-550 and applicable regulations.
  - 4.2. The Contractor may amend the contract budget through line item increases, decreases or the creation of new line items provided these amendments do not exceed the contract price. Such amendments shall only be made upon written request to and written approval from the State.
  - 4.3. Conformance to OMB Circular A-110: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in OMB Circular A-110.
  - 4.4. Conformance to 24 CFR Part 84: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 24 CFR Part 84.
5. **CONTRACTOR FINANCIAL MANAGEMENT SYSTEM.**
- 5.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
  - 5.2. The Contractor shall maintain a financial management system that complies with Attachment G of A-102, "Standards of Contractor Financial Management Systems" or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3.2 of this Agreement.



Exhibit C

Special 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. Add the following to Paragraph 5:
  - 5.5. Upon execution of the Contract and satisfaction by the Contractor of any conditions in the Notification of Funding Approval, the State shall provide the Contractor with the funds, in accordance with EXHIBIT B of this Contract Agreement, in the amount specified in the attached Notification of Funding Approval.
  - 5.6. Funds obligated under this Contract shall not be increased but may be decreased in accordance with this Contract and 24 CFR 841.400(b) and (c).
3. Add the following to Paragraph 6.1:
  - 6.1. In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, country, or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights, equal opportunity and housing laws, Section 101 (g), P.L. 99-500, Title VIII of the Civil Rights Act of 1968, and Executive Order No. 11063, as implemented by the regulations at 24 CFR Part 107.
4. Add the following to Paragraph 6.:
  - 6.4. The Contractor certifies as follows:
    - 6.4.1. that the grant funds provided pursuant to this Contract shall be used in accordance with the requirements and provisions of this Contract, the Supportive Housing Program regulations, and the Application including the Fair Housing and Equal Opportunity Certifications and the Applicant Certifications contained in Exhibit 4 of the Application;
    - 6.4.2. that the grant funds shall not be used to replace State or local assistance program funds used to assist homeless persons during the calendar year preceding the date of the Application or were designated for such use through an official action of the applicable governmental entity during the calendar year preceding the date of the Application;
    - 6.4.3. that no more than five percent of the grant funds may be used for administrative expenses;
    - 6.4.4. that, except as provided at 24 CFR Subsection 573.33(1)(4)(ii), the Contractor shall not:
      - 6.4.4.1. conduct renovation, major rehabilitation, or conversion of any building listed on the National Register of Historic Places; located in an historic district;



Exhibit C

- immediately adjacent to a property listed on the National Register; or deemed to be eligible for inclusion on the National Register by the State Historic Preservation Officer;
  - 6.4.4.2. conduct any such activity taking place in a 100-year flood plain designated by map by the Federal Emergency Management Agency;
  - 6.4.4.3. conduct any such activity which will jeopardize the continued existence of an endangered or threatened species designated by the U.S. Department of the Interior's Fish and Wildlife Service or by the U.S. Department of Commerce's National Maritime Fisheries Service, or affecting the critical habitat of such as species; and
  - 6.4.4.4. be inconsistent with HUD's environmental standards at 24 CFR Part 51 or with the State's Coastal Zone Management Plan;
  - 6.4.5. that the Contractor shall make it known that use of the facilities and services is available to all on a nondiscriminatory basis. Where the procedures that the Contractor intends to use to make known the availability of services are unlikely to reach persons of any particular race, color, religion, age, creed, sex, handicap, or national origin who may qualify for such services, the Contractor must establish additional procedures that will ensure that these persons are made aware of the facility and services;
  - 6.4.6. that the submission of applications for grants is authorized under State or local law and that the Contractor possesses legal authority to carry out the grants activities in accordance with applicable law and regulations of the U.S. Department of Housing and Urban Development;
  - 6.4.7. that the Contractor shall comply with the nondiscrimination and equal opportunity requirements of 24 CFR 841.330(a);
  - 6.4.8. that the Contractor shall comply with the National Environmental Policy Act of 1969, 42 U.S.C. 4332, implementing regulations at 24 CFR Part 50 and the Coastal Barriers Resources Act of 1982 (16 U.S.C. 3601); and
  - 6.4.9. that the Contractor shall comply with the requirements of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846) as described in 24 CFR 841.330(d).
5. Add the following to Paragraph 7.:
- 7.4. It is understood and agreed by the parties hereto that in discharging its obligations under this Agreement, the Contractor shall ensure that no person (1) who is an employee, agent, consultant, officer, or elected or appointed official of the Contractor, subcontractor, or the State that receives Supportive Housing Grant amounts who exercises or has exercised any functions or responsibilities with respect to assisted activities or (2) who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for him or herself or those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.
  - 7.5. The Contractor shall not employ, engage for services, award contracts or fund any contractors or subcontractors during any period of their debarment, suspension or placement in ineligibility status as determined pursuant to 24 CFR Part 24.
6. Add the following to Paragraph 8.:
- 8.3. The State may deobligate amounts for any acquisition/rehabilitation advance or a moderate rehabilitation grant if the total costs of the acquisition/rehabilitation or moderate rehabilitation are less than the approved grant.
  - 8.4. The State may deobligate funds made available under this Contract if any proposed acquisition/rehabilitation or moderate rehabilitation activities are not begun or completed in accordance with the development schedule contained in the Application or within a reasonable time thereafter.



Exhibit C

- 8.5. The Contractor shall repay the full amount of any acquisition/rehabilitation advance or moderate rehabilitation grant if it fails to use the structure for supportive housing for the homeless for a ten year period following the initial occupancy with funding under this Agreement.
  - 8.6. For each full year that the Project is used for supportive housing for the homeless following the expiration of the ten year period, the amount of the acquisition/rehabilitation advance that the Contractor will be required to repay will be reduced by one-tenth of the original advance.
  - 8.7. If the Project is used for supportive housing for the homeless for twenty years following the date of initial occupancy, the Contractor will not be required to repay any portion of the acquisition/rehabilitation advance given under this Agreement.
  - 8.8. Upon the Contractor's written request, the State may determine that the Project is no longer needed as transitional housing for the homeless and may approve an alternate use of the Project for the direct benefit of lower income persons. In such event, for purposes of determining the Contractor's repayment obligations, the Project will continue to be treated a supportive housing for the homeless as long as it is used for the approved alternate purpose.
  - 8.9. If the Project is taken by eminent domain or seizure, the Contractor must repay the acquisition/rehabilitation advance or the moderate rehabilitation grant to the extent that funds are available from the eminent domain or other proceeding.
7. Add the following to Paragraph 9.:
- 9.4. Between the effective date and a date five years after the Completion Date, at any time during the Contractor's normal business hours, and as often as the State shall reasonably demand, the Contractor shall make available to the State all data for examination, duplication, publication, translation, or for any other purpose. Nothing in this Subparagraph shall require the Contractor to make available data that would violate any statute, other provisions of this Agreement, or agreements with unrelated third parties. The term "Contractor" includes all persons, natural or fictional, who are controlled by, under common ownership with, or an affiliate of, the entity identified as the Contractor in Paragraph 1.3. of the General Provisions of this Agreement.
  - 9.5. During the performance of the Project Activities and for a period of five (5) years after the Completion Date, the Contractor shall keep the following records and accounts:
    - 9.5.1. Records of Direct Work: Detailed records of all direct work performed by its personnel under this Agreement.
    - 9.5.2. Fiscal Records: Books, records, documents and other statistical data evidencing and permitting a determination to be made by the State of all Project Costs and other expenses incurred by the Contractor and all income received or collected by the Contractor during the performance of the Project Activities. The said records shall be maintained in accordance with accounting procedures and practices acceptable to the State, and which sufficiently and properly reflect all such costs and expenses, shall include, without limitation, all ledgers, books, records, and original invoices, vouchers, bills, requisitions for materials, inventories, valuations of in kind contributions, labor time cards, payrolls and other records requested or required by the State.
    - 9.5.3. Contractor and Subcontractor Records: The Contractor shall establish, maintain, and preserve and require each of its contractors and subcontractors to establish, maintain, and preserve property management, project performance, financial management and reporting documents and systems, and such other books, records, and other data pertinent to the project as the State may require. Such records shall be retained for a period of five (5) years following completion of the project and receipt of final payment by the Contractor, or until an audit is completed and all questions arising therefrom are resolved, whichever is later.
  - 9.6. Audits and Inspections: During the performance of the Project Activities and the five (5) year retention period, at any time during normal business hours and as often as the State, HUD, or the Comptroller General of the United States, together or separately, may deem necessary, the Contractor shall make available to the State, HUD, or representatives of the Comptroller General, as requested, all records pertaining to matters covered by this Agreement. The



Exhibit C

- Contractor shall permit the State, HUD, or representatives of the Comptroller General, collectively or separately, to audit, examine and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data and other invoices, materials, payrolls, records of personnel, data and other information relating to all matters covered in this Agreement.
8. 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 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.
  9. Add the following to Paragraph 14:
    - 14.4. The Contractor shall obtain property, casualty or hazard insurance in an amount at least equal to the amount of any acquisition/rehabilitation advance or the moderate rehabilitation grant provided to the Contractor. The Contractor shall assure that such insurance remains in full force during the term of the commitment to provide supportive housing for the homeless.
  10. Add the following to Paragraph 20:
    - 20.1. DEVELOPMENT
      - 20.1.1. The Contractor assures that it has control of the site and/or structure to be used for the Project as described in the Application and EXHIBIT A of this Contract.
      - 20.1.2. The Contractor shall keep and maintain such books, records, and other documents as required by the State as may be necessary to reflect and disclose fully the amount and disposition of grant funds, and the total cost of activities paid for, in whole or in part, with grant funds.
    - 20.2. OPERATION
      - 20.2.1. The Contractor agrees that it will facilitate the provision of necessary supportive services to the residents of the Project.
      - 20.2.2. The Contractor shall assure that the Project will be operated in accordance with the Project Sponsor Executive Officer Certifications contained in EXHIBIT 4 of the Application.
      - 20.2.3. The Contractor shall operate the Project as transitional housing for homeless persons for a ten-year period following the initial occupancy with grant funds provided pursuant to this Contract.
      - 20.2.4. In the event the Project is not operated as supportive housing for the homeless for ten years following the initial occupancy with grant funds as provided in Paragraph 1.8. above, the Contractor shall repay the full amount of the grant funds in accordance with Paragraph 8. of this Contract.



Exhibit C

- 20.2.5. The Contractor shall assure that residents in the Project will be charged rent in accordance with section 3(a) of the United States Housing Act of 1937, which requires residents to pay the highest of (1) 30 percent of the family's monthly income (adjusted in accordance with 24 CFR 841.320); (2) 10 percent of the family's monthly income; or (3) if the family is receiving payments for welfare assistance from a public agency and a part of the payments, adjusted in accordance with the family's actual housing costs, is specifically designated by the agency to meet the family's housing costs, the portion of the payments that is designated.
- 20.2.6. The Contractor shall conduct an ongoing assessment of the supportive services required by the residents in the Project.
- 20.2.7. The Contractor shall provide a residential supervisor, as specified in the Application, who will facilitate the adequate provision of supportive services to the residents of the housing throughout the term of the commitment to operate the Project as supportive housing for the homeless.
- 20.2.8. The Contractor shall provide safe and sanitary housing and shall comply with all State and local housing codes, licensing requirements and other requirements regarding the condition of the structure and the operation of the Project.
- 20.3. SUPPORTIVE HOUSING PROGRAM COVENANTS
- 20.3.1. If the structure used for supportive housing is owned or leased by the Contractor, restrictions regarding the use of the structure will be contained in a covenant, running with the land recorded in the land records of the jurisdiction in which the structure is located.
- 20.3.2. The covenant running with the land, required in Paragraph 20.3.1 above, must state that the owner and his or her successors, assigns, heirs, grantees or lessees shall, if the Project is not used as supportive housing for homeless persons for ten years following initial occupancy with contract funds, the owner, his/her successors and assigns, heirs, grantees or lessees shall be required to repay the full amount of the grant unless HUD determines that the Project is no longer needed for use as supportive housing for homeless persons and approves the use of the Project for the direct benefit of lower income persons.
- 20.3.3. The Contractor shall ensure that the covenants required by Paragraph 20.2.5 above, are recorded prior to the commencement of any acquisition or rehabilitation activity, for a Project receiving a rehabilitation advance or a moderate rehabilitation grant, or, for a Project receiving an acquisition advance, recorded immediately after the recording of the deed for the structure acquired with the acquisition advance.
- 20.4. OTHER PROGRAM REQUIREMENTS
- If a structure rehabilitated with grant funds is leased from a religious organization, the Contractor shall ensure that the lease contains the following provisions:
- 20.4.1 the leased premises will be used exclusively for secular purposes and be available to all persons regardless of religion; and
- 20.4.2. the lease payments will not exceed the fair market rent of the structure without the rehabilitation; and
- 20.4.3. the cost of improvements that benefit any portion of the structure that is not used for the provision of supportive housing for the homeless is allocated to and paid for by the religious organization, and
- 20.4.4. unless the lessee, or a successor lessee acceptable to the State, retains the use of the leased premises for a wholly secular purpose for at least the useful life of the improvements, the lessor will pay to the lessee, within a reasonable time, an amount equal to the residential value of the improvements, and
- 20.4.5. the Contractor shall comply with the policies, guidelines and requirements of OMB Circular Number A-87 and A-102 as set forth in 24 CFR Part 85, except the requirements of 24 CFR 85.24 are modified by 24 CFR 841.125 and the requirements of 24 CFR 85.31 are modified by 24 CFR 841.310 and 841.315, and
- 20.4.6. the Contractor's financial management system shall provide for audits in accordance with 24 CFR Part 44, and



Exhibit C

20.4.7. the Contractor shall keep any records and make any reports that the State may require. Estimates for the cost of acquisition and/or rehabilitation or moderate rehabilitation of the Project shall be supported by documentation on file and maintained for at least three years of operation with funding under this program.



Exhibit C-1

**ADDITIONAL SPECIAL PROVISIONS**

1. Retroactive Payments – Individual Services

Notwithstanding anything to the contrary contained in this Agreement or in any other document, agreement or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for any services provided to any individual prior to the Effective Date of this Agreement 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.

2. Retroactive Payments – Contractor Services

Notwithstanding anything to the contrary contained in this Agreement or in any other document, agreement or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for any costs incurred for any purposes prior to the Effective Date of this Agreement.

3. Audit Requirement

The Contractor shall deliver to the State, at the address set forth in Section 1.2 of these General Provisions, an independent audit performed by a Certified Public Accountant, of the Contractor, including the funds received under this Agreement.

The following requirement shall apply if the Contractor is a State or Local Government: If the federal funds received under this or any other Agreement from any and all sources exceeds \$25,000 in the aggregate in a one year fiscal period the required audit shall be performed in accordance with the provisions of OMB Circular A-128, Single Audits of State and Local Governments.

4. Credits

All documents, notices, press releases, research reports, and other materials prepared during or resulting from the performance of the services or the Agreement shall include the following statement: "The preparation of this (report, document, etc.) was financed under an Agreement with the State of New Hampshire, Department of Health and Human Services, Bureau of Homeless and Housing Services, with funds provided in part or in whole by HUD."

**NH Department of Health and Human Services**

**STANDARD EXHIBIT D**

**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

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

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

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

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

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

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

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

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

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

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

Tri-County CAP, Inc. From: 7/1/13 To: 6/30/15  
 (Contractor Name) (Period Covered by this Certification)

Peter Higbee, Chief Operating Officer  
 (Name & Title of Authorized Contractor Representative)

Peter Higbee 8.26.13  
 (Contractor Representative Signature) (Date)

NH Department of Health and Human Services

STANDARD EXHIBIT E

CERTIFICATION REGARDING LOBBYING

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

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

- Programs (indicate applicable program covered):
- \*Temporary Assistance to Needy Families under Title IV-A
- \*Child Support Enforcement Program under Title IV-D
- \*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

Contract Period: 7/1/13 through 6/30/15

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.

*Peter Higbee*  
(Contractor Representative Signature)

Peter Higbee, Chief Operating Officer  
(Authorized Contractor Representative Name & Title)

Tri-County CAP, Inc.  
(Contractor Name)

8.26.13  
(Date)

**NH Department of Health and Human Services****STANDARD EXHIBIT F****CERTIFICATION REGARDING DEBARMENT, SUSPENSION  
AND OTHER RESPONSIBILITY MATTERS**

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

**INSTRUCTIONS FOR CERTIFICATION**

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

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

**PRIMARY COVERED TRANSACTIONS**

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

**LOWER TIER COVERED TRANSACTIONS**

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

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

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

Peter Higbee  
(Contractor Representative Signature)

Peter Higbee, Chief Operating Officer  
(Authorized Contractor Representative Name & Title)

Tri-County CAP, Inc.  
(Contractor Name)

8.26.13  
(Date)

Contractor Initials: P.H.

Date: 8.26.13

**NH Department of Health and Human Services**

**STANDARD EXHIBIT G**

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

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

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

Peter Higbee  
(Contractor Representative Signature)

Peter Higbee, Chief Operating Officer  
(Authorized Contractor Representative Name & Title)

Tri-County CAP, Inc  
(Contractor Name)

8.26.13  
(Date)

**NH Department of Health and Human Services**

**STANDARD EXHIBIT H**

**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

*Peter Higbee*  
(Contractor Representative Signature)

*Peter Higbee, Chief Operating Officer*  
(Authorized Contractor Representative Name & Title)

*Fri-County CAP, Inc.*  
(Contractor Name)

*8.26.13*  
(Date)

## NH Department of Health and Human Services

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

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

**BUSINESS ASSOCIATE AGREEMENT**

**(1) Definitions.**

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

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

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

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

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

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

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

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

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

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

**(6) Miscellaneous**

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

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

NH DHHS Tri-County CAP, Inc.  
The State Agency Name Name of the Contractor

Mary Ann Cooney Peter Higbee  
Signature of Authorized Representative Signature of Authorized Representative

Mary Ann Cooney Peter Higbee  
Name of Authorized Representative Name of Authorized Representative

Assoc. A. H. Commissioner Chief Operating Officer  
Title of Authorized Representative Title of Authorized Representative

9/16/13 8.26.13  
Date Date

NH Department of Health and Human Services

STANDARD EXHIBIT J

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

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

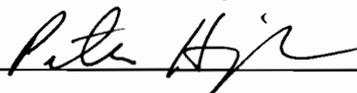
In accordance with 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

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

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

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

 Peter Higbee, Chief Operating Officer  
(Contractor Representative Signature) (Authorized Contractor Representative Name & Title)

Tri-County CAP, Inc. 8.26.13  
(Contractor Name) (Date)

Contractor initials: P-H.  
Date: 8.26.13  
Page # 1 of Page # 1

NH Department of Health and Human Services

STANDARD EXHIBIT J

FORM A

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

1. The DUNS number for your entity is:

073975708

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

NO

YES

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

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

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

NO

YES

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

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

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

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

Amount: \_\_\_\_\_

Contractor initials: P.H.

Date: 8.26.13

Page # 1 of Page # 1

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 18, 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 4<sup>th</sup> day of April A.D. 2013

*William M. Gardner*

William M. Gardner  
Secretary of State

**CERTIFICATE OF VOTE/AUTHORITY**

I, Todd Fahey, do hereby certify that:

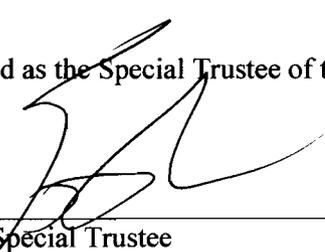
1. I am the Special Trustee appointed by the NH Probate Court to act on behalf of, and with all the powers of, the Tri-County Community Action Program, Inc., Board of Directors;
2. The following are resolutions of the corporation, duly enacted on August 26<sup>th</sup>, 2013:

RESOLVED: That this corporation may enter into any and all contracts, amendments, renewals, revisions or modifications thereto, with the State of New Hampshire, acting through its Office of Human Services.

RESOLVED: That the Tri-County Community Action Program Chief Operating Officer 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 may deem necessary, desirable or appropriate.

3. Peter Higbee is the Tri-County Community Action Program Chief Operating Officer.
4. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of August 26<sup>th</sup>, 2013.

IN WITNESS WHEREOF, I have hereunto set my hand as the Special Trustee of the corporation this 26<sup>th</sup> day of August, 2013.

  
\_\_\_\_\_  
Todd Fahey, Special Trustee

STATE OF NH  
COUNTY OF COÖS

The foregoing instrument was acknowledged before me this 26<sup>th</sup> day of August, 2013, by Special Trustee Todd Fahey.

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

**SUZANNE C. FRENCH**  
Notary Public - New Hampshire  
My Commission Expires June 19, 2018

THE STATE OF NEW HAMPSHIRE  
JUDICIAL BRANCH  
NH CIRCUIT COURT

1st Circuit - Probate Division - Lancaster  
55 School St., Suite 104  
Lancaster NH 03584

Telephone: (603) 788-2001  
TTY/TDD Relay: (800) 735-2964  
<http://www.courts.state.nh.us>

NOTICE OF CONFERENCE

TODD C FAHEY, ESQ  
ORR & RENO PA  
PO BOX 3550  
CONCORD NH 03302-3550

Case Name: **IN RE: TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
Case Number: **314-2012-EQ-00288**

A conference is scheduled as follows:

Date: January 15, 2013      6th Circuit-Probate Division-Concord-Courtroom  
Time: 11:00 AM              163 North Main Street  
1 Hour                          Concord, NH 03301

**Matters to be considered:**

**STATUS CONFERENCE - PER ORDER OF 12/14/12**

You have received this notice because you are an interested party to the case, an attorney of record, or have filed an appearance, motion or objection.

If you wish to reschedule or continue this conference, a motion to reschedule or continue must be filed with this court by December 24, 2012 for the judge's review and ruling. (You may use form NHJB-2128-P to file that motion.) Copies must be sent to all parties. This form may be obtained at [www.courts.state.nh.us/probate](http://www.courts.state.nh.us/probate), or from any NH Probate Division.

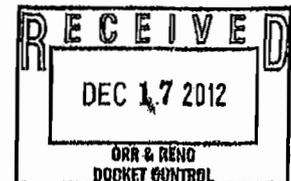
If you will need an interpreter or other accommodations for this conference, please contact the court immediately.

Please be advised (and/or advise clients, witnesses, and others) that it is a class B felony to carry a firearm or other deadly weapon as defined in RSA 625:11, V in a courtroom or area used by a court.

December 14, 2012

Terri L. Peterson  
Clerk of Court

C: Michael Delaney, ESQ; Tri-County Community Action Program Inc.; Wayne T. Moynihan, ESQ;  
Anthony I. Blenkinsop, ESQ



THE STATE OF NEW HAMPSHIRE  
JUDICIAL BRANCH  
NH CIRCUIT COURT

1st Circuit - Probate Division - Lancaster  
65 School St., Suite 104  
Lancaster NH 03584

Telephone: (603) 788-2001  
TTY/TDD Relay: (800) 735-2964  
<http://www.courts.state.nh.us>

NOTICE OF DECISION

TODD C FAHEY, ESQ  
ORR & RENO PA  
PO BOX 3550  
CONCORD NH 03302-3550

Case Name: IN RE: TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.  
Case Number: 314-2012-EQ-00288

On December 14, 2012, Judge David D. King issued orders relative to:

Emergency (EX PARTE) Petition for the Appointment of a Special Trustee:

Enclosed please find the Order Issued 12/14/2012.

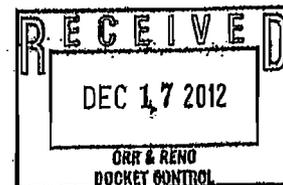
Also Enclosed Notice of Conference - for a Status Conference January 15, 2013 per Court Order of 12/14/12.

Any Motion for Reconsideration must be filed with this court by December 24, 2012. Any appeals to the Supreme Court must be filed by January 13, 2013.

December 14, 2012

Terri L. Peterson  
Clerk of Court

C: Michael Delaney, ESQ; Anthony I. Blenkinsop, ESQ; Tri-County Community Action Program Inc.;  
Wayne T. Moynihan, ESQ



THE STATE OF NEW HAMPSHIRE  
CIRCUIT COURT

COOS COUNTY

1<sup>ST</sup> CIRCUIT-PROBATE DIVISION

In re: TRI-COUNTY COMMUNITY ACTION PROGRAM INC.

CASE #314-2012-EQ-00288

ORDER

Before the court is an emergency (*ex parte*) request for hearing and petition for the immediate appointment of a special trustee to act in the stead of the board of trustees of Tri-County Community Action Program, Inc., a 501(c) (3) organization (Tri-County). The petition was filed with the court by the Office of Attorney General, Director of Charitable Trusts (the Director) via fax on December 13, 2012 and a copy was provided to Wayne T. Moynihan, Esq., counsel for Tri-County. Because of the nature of the relief requested, as well as the allegations contained in the petition, the request for immediate hearing was GRANTED. A hearing was scheduled and held on Friday morning, December 14, 2012 at the 6<sup>th</sup> Circuit Probate Division. The Director of Charitable Trusts, Anthony I. Blenkinsop, Esq. was present for the hearing with other members of his staff, including Terry M. Knowles, Assistant Director of Charitable Trusts. Attorney Moynihan, who has filed a general appearance on behalf of the Tri-County board of directors, appeared telephonically. Also present for the hearing was Todd C. Fahey, Esq., the proposed special trustee. Prior to the hearing, Attorney Moynihan filed a partial answer and notice of no objection to the appointment of a special trustee.

Having considered the allegations in the petition and the respective presentations made by the parties at the hearing, the court makes the following order:

1. While the petition has only been circulated by email and/or fax at this point, Attorney Moynihan has acknowledged receipt of service on behalf of Tri-County and, without objection, the court finds that service of process has been accomplished. The Director shall file the original petition with the 1<sup>st</sup> Circuit-Probate Division forthwith. Mr. Moynihan shall have thirty (30) days from the date of this order to file any responsive pleading to the petition on behalf of Tri-County.

2. Effective as of the date of this order, Todd C. Fahey, Esq. of Orr & Reno, P.A., Concord, New Hampshire, is appointed as a special trustee of Tri-County with all powers under the by-laws of Tri-County and the laws of the State of New Hampshire to act as the Board of Trustees for Tri-County. Without limiting the generality of the foregoing, the special trustee is granted all necessary power to operate the entity and its programs, conserve and/or expend charitable assets as appropriate and lawful, manage personnel matters including decisions regarding the hiring and/or termination of employment of personnel, recruit a new board of directors subject to approval of this court, review and analyze all records of the entity, determine appropriate levels of insurance coverage, ensure proper licensing, and file all appropriate and necessary reports and forms with Federal and State entities, including, but not limited to the IRS, Secretary of State, and the Charitable Trusts Unit.

3. Until further notice from this court, the power and authority of the current board of directors is suspended, but board members are not discharged of their duties.

4. Tri-County, through its suspended board of directors, executive staff, and employees, shall cooperate fully with the special trustee and shall retain all of its records, of any source or nature, including all electronic records of any kind, and shall make any and all records and financial information of Tri-County available to the special trustee, at his request, throughout the term of the special trustee's appointment. Should the special trustee not receive the cooperation of any such individuals he may file an appropriate motion with this court.

5. Within fourteen (14) days of this order, Tri-County shall provide the special trustee and the Director of Charitable Trusts with an accurate list of the names and addresses of its board members and officers for calendar year 2012, including members or officers who were new to the board, or left the board during this time.

6. The special trustee shall be responsible for determining, as a preliminary matter, whether Tri-County can be a viable non-profit entity moving forward, what is necessary to bring financial stability to the entity, and how best to ensure a continuity of services as are currently provided to its customers/service population.

7. The special trustee may charge a rate of up to \$275 per hour, to be billed on a monthly basis to Tri-County, to the attention of the chief executive officer or individual acting in such a capacity, with a copy to the Director of Charitable Trusts. The special trustee may also incur reasonable and necessary expenses necessary to his work as special trustee, which he may bill to Tri-County. Tri-County shall pay the special trustee's monthly bill within fifteen (15) days of receipt and shall immediately place in reserve \$7,500.00 for the purpose of satisfying any special trustee billing. Any party may request a hearing on the special trustee's bill(s), which the Court will

schedule at its discretion. The special trustee may also be permitted to withdraw upon motion to the Court if Tri-County shall fail to make payment as required herein.

8. The special trustee may retain the services of at least one additional professional individual to assist him with his work as a special trustee. Attorney Fahey has suggested that he might retain John Gilbert as a consultant. Mr. Gilbert's fees shall be discussed in the first instance with the Director and the court shall be notified of the billing rate upon agreement; if an agreement cannot be reached, the issue shall be presented to the court. Billing and payment of this individual to be handled in accordance with the provisions of paragraph 7, above. Should the special trustee determine it necessary to retain additional individuals or entities to assist him in his work, including bankruptcy counsel, he shall file a motion requesting authority to take such action with the court.

9. Commencing January 15, 2013, the special trustee shall file quarterly reports with this court regarding his progress, and the status of resolving Tri-County's financial, governance, and compliance issues. Copies of these reports shall be provided to the Director of Charitable Trusts. The special trustee and the Director of Charitable Trusts may request periodic meetings with each other to discuss the progress of the special trustee and the special trustee may request a hearing before the court at his discretion to address any matters under his jurisdiction.

10. The Court, upon its own motion, or upon motion of the special trustee, or the Director of Charitable Trusts, may terminate the appointment of the special trustee when the issues set forth in the Petition have been satisfactorily addressed.

11. This order concerns the appointment of a special trustee. Nothing in this order shall limit the authority of the Office of the Attorney General to bring any other necessary enforcement action against Tri-County, its board, or its employees or agents, as it deems necessary under its common law and/or statutory authority, in any appropriate judicial forum.

12. A status conference is scheduled for 11:00 a.m. on Tuesday, January 15, 2013 in the 6<sup>th</sup> Circuit Probate Division in Concord. The special trustee, appropriate and authorized representatives of Tri-County, and the Director of Charitable Trusts, shall be required to attend this conference for the purposes of discussing and determining an appropriate course of action, as well as any other issues as may be necessary. A further order of the court may be issued following that hearing.

SO ORDERED.

Dated: December 14, 2012

2:00 p.m.

  
\_\_\_\_\_  
David D. King, Judge



---

***TRI-COUNTY COMMUNITY  
ACTION PROGRAM, INC.***

***AUDITED FINANCIAL STATEMENTS***

***FOR THE YEAR ENDED  
JUNE 30, 2012***

---

## INDEX TO FINANCIAL STATEMENTS

### Financial Statements

Independent Auditor's Report.....	1-2
Statement of Financial Position .....	3
Statement of Activities.....	4
Statement of Cash Flows .....	5
Notes to the Financial Statements.....	6-21
Supplemental Schedule of Functional Expenses.....	22-23

## INDEPENDENT AUDITOR'S REPORT

Todd C. Fahey, Esq.  
Court-Appointed Special Trustee  
Tri-County Community Action Program, Inc.  
Berlin, New Hampshire 03570

We have audited the accompanying statement of financial position of Tri-County Community Action Program, Inc. (a nonprofit organization) as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As more fully described in Note B, Tri-County Community Action Program, Inc. 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 effects on the financial statements of that departure from those accounting principles are not reasonably determinable.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the opening balance of the net assets referred to in the preceding paragraph been susceptible to satisfactory audit tests, 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, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note B to the financial statements, Tri-County Community Action Program, Inc. implemented the requirements of FASB ASC 958 and recorded the current year changes in net assets by class as unrestricted net assets, temporarily restricted net assets and permanently restricted net assets based on the existence or absence of donor-imposed restrictions.

The accompanying financial statements have been prepared assuming that the entity will continue as a going concern. For the year ended June 30, 2012, the Organization used restricted net assets for unrestricted purposes that contravene the donor's restrictions amounted to \$321,749. These factors, and others discussed in Note Q, indicate that the entity may be unable to continue in existence. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or the amounts and classifications of liabilities that might be necessary in the event the entity cannot continue in existence.

The financial statements of Tri-County Community Action Program, Inc. as of and for the year ended June 30, 2011 were audited by other auditors whose report thereon, dated March 30, 2012 expressed an unqualified opinion. As part of our audit of the 2012 financial statements, we also audited the adjustments described in Note P to the financial statements that were applied to restate the 2011 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 2011 financial statements of Tri-County Community Action Program, Inc. other than in respect of the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2011 financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated March 28, 2013, 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 and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses on pages 21 and 22 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.

*Mason + Rich, P.A.*

MASON + RICH PROFESSIONAL ASSOCIATION  
Certified Public Accountants

March 28, 2013

**TRI-COUNTY COMMUNITY ACTION PROGRAM**

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2012

**ASSETS**

**CURRENT ASSETS**

Restricted Deposit Account - Guardianship	\$ 255,759
Accounts Receivable, Net	626,033
Inventories	99,759
<b>Total Current Assets</b>	<u>981,551</u>

**PROPERTY AND EQUIPMENT**

Plant and Equipment	10,260,796
Less: Accumulated Depreciation	<u>(3,410,650)</u>
<b>Net Property and Equipment</b>	<u>6,850,146</u>

**OTHER ASSETS**

Restricted Cash - Debt Service	186,516
Other Assets	46,174
<b>Total Other Assets</b>	<u>232,690</u>

**TOTAL ASSETS**

\$ 8,064,387

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Current Portion of Long-Term Debt	\$ 3,337,972
Current Portion of Lease Payable	30,067
Line of Credit	793,976
Bank Overdraft	8,046
Accounts Payable	1,001,434
Accrued Compensated Absences	406,689
Accrued Salaries	114,987
Accrued Expenses	14,753
Other Liabilities	630,759
<b>Total Current Liabilities</b>	<u>6,338,683</u>

**LONG-TERM LIABILITIES**

Long-Term Debt, Net of Current Portion	930,918
Lease Payable, Net of Current Portion	39,603
Interest Rate Swap at Fair Value	114,433
<b>Total Long-Term Liabilities</b>	<u>1,084,954</u>

**TOTAL LIABILITIES**

7,423,637

**NET ASSETS**

Unrestricted	(321,749)
Temporarily Restricted	962,499

**TOTAL NET ASSETS**

640,750

**TOTAL LIABILITIES AND NET ASSETS**

\$ 8,064,387

*The Accompanying Notes are an Integral Part of These Financial Statements*

**TRI-COUNTY COMMUNITY ACTION PROGRAM**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Grants and Contracts	\$ 15,732,761	\$ 686,718	\$ 16,419,479
Program Funding	1,935,620	-	1,935,620
Utility Programs	671,725	-	671,725
In-Kind Contributions	411,442	-	411,442
Contributions	266,155	80,481	346,636
Fundraising	54,929	-	54,929
Rental Income	44,496	-	44,496
Interest Income	884	-	884
Gain (Loss) on Disposal	2,247	-	2,247
Other Revenue	212,551	-	212,551
<i>Total Support and Revenues</i>	<u>19,332,810</u>	<u>767,199</u>	<u>20,100,009</u>
<b>NET ASSETS RELEASED FROM RESTRICTION</b>			
Expiration of Program Restrictions	-	-	-
<b>OPERATING EXPENSES</b>			
Agency Fund	1,515,511	-	1,515,511
Headstart	2,522,460	-	2,522,460
Guardianship	814,151	-	814,151
Transportation	1,055,705	-	1,055,705
Volunteer	129,170	-	129,170
Workforce Development	534,984	-	534,984
AOD	1,545,026	-	1,545,026
Carroll County Dental	595,841	-	595,841
Carroll County Restorative Justice	261,197	-	261,197
Support Center	311,910	-	311,910
Homeless	908,177	-	908,177
Energy & Community Development	9,619,568	-	9,619,568
Elder	1,326,239	-	1,326,239
<i>Total Operating Expenses</i>	<u>21,139,939</u>	<u>-</u>	<u>21,139,939</u>
<b>OTHER EXPENSES</b>			
Loss on Interest Rate Swap	44,620	-	44,620
<b>TOTAL EXPENSES</b>	<u>21,184,559</u>	<u>-</u>	<u>21,184,559</u>
<b>CHANGES IN NET ASSETS</b>	<u>(1,851,749)</u>	<u>767,199</u>	<u>(1,084,550)</u>
<i>Net Assets, Beginning of Year as Previously Reported</i>	2,235,260	-	2,235,260
<i>Prior Period Adjustment, see Note P</i>	(705,260)	195,300	(509,960)
<i>Net Assets, Beginning of Year, as Restated</i>	<u>1,530,000</u>	<u>195,300</u>	<u>1,725,300</u>
<i>Net Assets, End of Year</i>	<u>\$ (321,749)</u>	<u>\$ 962,499</u>	<u>\$ 640,750</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**TRI-COUNTY COMMUNITY ACTION PROGRAM**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Decrease in Net Assets	\$ (1,084,550)
Adjustments to Reconcile Change in Net Assets to Net	
Cash Provided by (Used in) Operating Activities:	
Depreciation	510,568
Gain on Disposal of Property	(2,247)
Loss on Interest Rate Swap	44,620
(Increase) Decrease in Operating Assets:	
Restricted Deposit Account - Guardianship	(255,759)
Accounts Receivable	401,365
Inventories	(20,726)
Other Assets	(13,558)
Increase (Decrease) in Operating Liabilities:	
Bank Overdraft	(222,316)
Accounts Payable	323,594
Accrued Compensated Absences	11,789
Accrued Salaries	8,387
Accrued Expenses	53,608
Other Liabilities	630,759
Deferred Revenue	(670,752)
Total Adjustments	<u>799,332</u>
<i>Net Cash Used in Operating Activities</i>	<u>(285,218)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from Disposal of Property	<u>2,247</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Net Proceeds from Line of Credit	272,036
Repayment of Long-Term Debt	(107,411)
Net Proceeds from Long-Term Debt	143,000
Repayment of Capital Lease Obligation	(25,288)
<i>Net Cash Provided by Financing Activities</i>	<u>282,337</u>
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	
	(634)
<i>Cash and Equivalents, Beginning of Year</i>	<u>187,150</u>
<i>Cash and Equivalents, End of Year</i>	<u>\$ 186,516</u>
 <b>Supplemental Disclosure of Cash Flow Information</b>	
Cash Paid During the Year For:	
Interest	<u>\$ 222,133</u>

See Accompanying Notes are an Integral Part of These Financial Statements

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
NOTES TO FINANCIAL STATEMENTS

---

**A | 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 with grants or contracts from various federal, state, and local agencies.

A description of the major programs is as follows:

***Agency***

The Northern Forest Heritage Park (the Park) 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.

Agency activities also include the management and allocation of funding received through a Community Services Block Grant, as well as management of the Organizations real estate property.

***Head Start***

Head Start serves hundreds of children and their families in seventeen classrooms at eleven locations throughout the 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 (NH) 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. Our 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.

---

*(Continued on next page)*

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

***Workforce Development***

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.

***Carroll County Dental***

The Tamworth Dental Center (the Center) offers high quality oral health care to children with NH Medicaid coverage. We also serve 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.

***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.

---

*(Continued on next page)*

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

Offices in eight locations are our outreach sites for local participant access. Applications for energy assistance programs, 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; Coos County ServiceLink Aging & Disability Resource Center, which assists with Medicare counseling, Medicaid assistance, long-term care counseling services, and caregiver supports.

**B | SIGNIFICANT ACCOUNTING POLICIES**

***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.

***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.

***Cash and Cash Equivalents***

For purposes of the statement of cash flows, cash includes cash on hand, funds on deposit with financial institutions, and investments with original maturities of three months or less.

***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. Management has concluded that realization losses on balances outstanding at year-end will be immaterial. Therefore, 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 States 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 and the age of the accounts receivable. The Organization does not charge interest on outstanding accounts receivable.

***Inventories***

Inventory consists of donated clothing and household items which are sold through the organizations thrift store in Lancaster, NH. These items are valued at the price for which they can be sold.

*(Continued on next page)*

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

Inventory also includes weatherization materials which have been purchased in bulk. These items are valued at the most recent cost. A physical inventory of the thrift store items and weatherization materials is taken annually. Cost is determined using the first-in, first-out (FIFO) method.

***Property and Equipment***

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
Furniture and Equipment	5 to 15 years

***Change in Accounting Principle***

For the year ended June 30, 2012, the Organization changed its method of accounting for the difference between its assets and liabilities to comply with the requirements of FASB ASC 958 and reported its net assets according to the three classes as discussed below.

***Net Assets***

The Organization is required to report information regarding its financial position and activities according to classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Descriptions of the net asset categories included in the Organization's financial statements are as follows:

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, 2012.

---

*(Continued on next page)*

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

***Contributions***

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

***Donated Materials and Services***

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.

***In-Kind Donations***

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.

***Advertising***

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, 2012 was \$20,051.

***Tax Status***

The Organization is exempt from federal income tax under Section 501(c) 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, *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. Additionally the Organization did not recognize interest or penalties resulting for tax liabilities associated with recognizing uncertain tax positions for the year ended June 30, 2010.

The Organization's Federal Form 990 (Return of Organization Exempt from Income Tax) for 2009, 2010, and 2011 are subject to examination by the IRS, generally for three years after they are filed.

***Functional Allocation of Expenses***

The costs of providing the various programs and activities have been summarized on a supplement schedule of revenues and expenses by program. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Descriptions of the functional expense allocations included in the Organization's financial statements are as follows:

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.

---

*(Continued on next page)*

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

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 an analysis of square footage. The same calculation is used to allocate other building costs including insurance.

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 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 July 1, 2011 received provisional approval and extended approval through April 30, 2013.

***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 Company. Unobservable inputs are inputs that reflect the Company'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 broken down 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 Company 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.

---

*(Continued on next page)*

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

*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 in 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.

See Note J for information related to the use of fair value measurements.

**C | CONCENTRATION OF RISK**

The Organization maintains cash balances at various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash deposits at these financial institutions at June 30, 2012 did not exceed \$250,000. There was no amount of cash uninsured or uncollateralized as of June 30, 2012.

As disclosed in Note D, the Organization maintains a deposit account on behalf of clients who participate in the Guardianship Service Program. The total deposit balance in the account at June 30, 2012 was \$255,759. The total amount uninsured and uncollateralized at June 30, 2012 was \$5,759.

**D | CASH RESTRICTIONS**

The Organization is required to maintain a deposit account with a bank as part of the loan security agreement disclosed at Note K. 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, 2012 was \$93 and the Organization was not in compliance with this requirement.

The Organization is required to maintain a deposit account with another bank as part of a bond issue as disclosed at Note K. The required balance in the account is \$186,516 and is equal to the interest

---

*(Continued on next page)*

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

payments on the bond for a 12 month period. The balance as of June 30, 2012 was \$186,516 and the Organization was in compliance with this requirement.

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. As reported at Note F, the Organization withdrew \$375,000 from this account during the 2012 fiscal year which is reported as additional liability in other current liabilities. The total deposit balance in the account at June 30, 2012 was \$255,759. The total current liability related to this account at June 30, 2012 was \$630,759.

**E | PROPERTY AND EQUIPMENT**

For the year ended June 30, 2012, the balance in property and equipment consisted of the following:

Buildings and Improvements	\$ 7,686,861
Furniture and Equipment	1,983,468
Land	<u>590,467</u>
Total	10,260,796
Less Accumulated Depreciation	<u>(3,410,650)</u>
Total Property and Equipment, Net	<u>\$ 6,850,146</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 amounted to \$510,568 for the year ended June 30, 2012.

**F | 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

*(Continued on next page)*

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

Wing Building did not pose an exposure hazard to site occupants, area residents, and 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.

Furthermore, the Organization was provided notice of due diligence to complete a fence that would prevent access to contaminants on the property. The fence would ultimately limit the Organization exposure to potential liability from unsuspecting guests on the property. As of June 30, 2012 the Organization had not completed construction of the fence.

***Other Liabilities***

During the fiscal year ended June 30, 2012, the Organization transferred \$375,000 from the Guardianship checking account into the Organizations operating account. The funds held in the Guardianship account belong to clients who are serviced by TCCAP's Guardianship Services Program and are entrusted to the Organization for the benefit of these clients. Management has identified the transfer and has recorded a liability for the amount due to the Guardianship account. This amount is recorded on the financial statements as a current liability.

**G | LEASE AGREEMENTS**

***Capital Leases***

The Organization leases equipment from Leaf Financial Corporation under a capital lease. The economic substance of the lease is that the Organization is financing the acquisition of the assets through the lease, and accordingly, it is recorded in the Organization's assets and liabilities.

The following is an analysis of the leased assets included in Equipment:

Equipment	\$ 159,277
Less accumulated depreciation	<u>127,422</u>
Net Book Value	<u>\$ 31,855</u>

Future minimum payments under capital leases are as follows:

Year ending June 30,	
2013	\$ 39,875
2014	39,875
2015	<u>3,935</u>
Total Future Payments	83,685
Less Amount Representing Interest	<u>(14,015)</u>
Present Value of Future Payments	69,670
Less Current Portion	<u>(30,067)</u>
Long-Term Portion	<u>\$ 39,603</u>

Interest expense was \$19,021 for the year ended June 30, 2012.

*(Continued on next page)*

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

***Operating Leases***

The Organization has entered into several lease commitments for space. Leases under non-cancelable lease agreements are as follows:

<i>Program</i>	<i>Term</i>	<i>Annual Payment</i>
Carroll County Restorative Justice	Oct 1, 2011 to Sept 30, 2014	\$ 2,160
Head Start	Apr 1, 2011 to Mar 31, 2013	28,878
	Apr 1, 2013 to Mar 31, 2018	30,011
	Apr 1, 2018 to Mar 31, 2023	31,143
	Apr 1, 2023 to Mar 31, 2023	32,276
Head Start	Sep 1, 2010 to Aug 31, 2011	17,700
	Sep 1, 2011 to Aug 31, 2012	18,300
	Sep 1, 2012 to Aug 31, 2013	18,900
	Sep 1, 2013 to Aug 31, 2014	19,800
Head Start	Jan 1, 2011 to Dec 31, 2011	15,000
	Jan 1, 2012 to Dec 31, 2012	15,000
Head Start	Jun 1, 2010 to May 31, 2011	10,200
	Jun 1, 2011 to May 31, 2012	10,200
	Jun 1, 2012 to May 31, 2013	10,200
Guardianship Services	Jan 1, 2010 to Dec 31, 2011	10,356
	Jan 1, 2010 to Dec 31, 2011	10,704
	Jan 1, 2010 to Dec 31, 2011	10,944
North Country Transit	Mar 1, 2012 to Apr 28, 2013	2,880
Homeless Outreach & Community Contact	Jul 1, 2011 to Jun 30, 2013	20,088
Community Contact	Jul 1, 2011 to Jun 30, 2013	11,400
Workplace Success	Jul 1, 2011 to Jun 30, 2013	26,371

Additionally the Organization has several facilities which are leased on a month to month basis. The annual rent expense for the leased facilities was \$218,058 for the year ended June 30, 2012.

*(Continued on next page)*

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

The future minimum lease payments on the above leases for the year ending June 30 are as follows:

2013	\$ 140,621
2014	57,149
2015	33,851
2016	30,011
2017	30,011

**H | LINE OF CREDIT**

The Organization has available a \$45,000 unsecured line of credit with Northway Bank, at June 30, 2012. Borrowings under the line bear interest at 6.50% per annum, and totaled \$45,000 at June 30, 2012. The line of credit is unsecured.

The Organization has available a \$800,000 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 \$729,273 at June 30, 2012. The line is subject to renewal on January 31, 2013.

The Organization has available a \$25,000 line of credit with Bank of NH 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 \$20,003 at June 30, 2012.

**I | ACCRUED VACATION**

Employees of the Organization are eligible to accrue vacation for a maximum of 240 days. Accrued vacation totaled \$406,689 at June 30, 2012.

**J | DERIVATIVE INSTRUMENTS**

As disclosed in Note K, the note payable to bank bears interest monthly 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 the 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, 2012, the fair value of the interest rate swap was \$114,433 and the unrealized loss was \$44,620. 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.

---

*(Continued on next page)*

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**K | LONG-TERM DEBT**

The Organization's long-term debt consists of the following at June 30, 2012:

1. Note payable to lending institution, payable in 360 monthly installments of \$484 including interest at 5% per annum. Secured by general business assets. Final installment due March 2024.	\$ 51,140
2. Note payable to lending institution, payable in 360 monthly installments of \$1,496 including interest at 4.50% per annum. Secured by general business assets. Final installment due June 2024.	166,619
3. Note payable to lending institution, payable in 360 monthly installments of \$1,664 including interest at 5% per annum. Secured by general business assets. Final installment due January 2027.	204,783
4. Note payable to lending institution, payable in 360 monthly installments of \$292 including interest at 4.75% per annum. Secured by general business assets. Final installment due April 2030.	41,943
5. Note payable to lending institution, payable in 360 monthly installments of \$74 including interest at 4.75% per annum. Secured by general business assets. Final installment due June 2029.	10,338
6. Note payable to a bank, payable in 120 monthly installments of \$457 including interest at 4.25% per annum. Secured by a first mortgage on a business condo. Final installment due December 2015.	18,693
7. Note payable to a bank, payable in 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.	486,961
8. Bond payable to a bank, payable in 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 of various properties and assignments of rents at various properties. Final installment due August 2040.	3,145,413
9. Note payable to a related party, interest accrues 6% per annum, no monthly installments, full principal amount plus interest is due August 2012.	43,000
10. Note payable to a non-profit organization, interest accrues 6% per annum, no monthly installments, full principal plus interest due during the Organizations fiscal year end 2013.	100,000
Total Long-Term Debt	\$ 4,268,890
Less Current Portion	3,337,972
Long-Term Debt Net of Current	\$ 930,918

(Continued on next page)

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

Future maturities of long-term debt are as follows for the years ended June 30:

<u>Years Ending June 30,</u>	
2013	\$ 3,337,972
2014	46,726
2015	49,276
2016	50,078
2017	49,101
Thereafter	<u>735,737</u>
Total	<u>\$ 4,268,890</u>

As described at Note D, the Organization is required to maintain a reserve account with a bank for loans 1 through 6 listed above. The Organization was not in compliance with this requirement. Failure to meet this requirement may be construed by the Government to constitute default.

As described at Note D, the Organization is required to maintain a reserve account with a bank related to loan 10 listed above. Additionally, the Organization is required to maintain a debt coverage ratio of 1:1.10 as stipulated in the loan agreement. As of June 30, 2012, the Organization was not in compliance with all covenants. As a result, the amount outstanding at June 30, 2012 is included with as a current liability on the statement of financial position.

**L | RELATED PARTY TRANSACTIONS**

***Notes Payable – Related Party***

As disclosed in Note K, the Organization has a loan payable to the wife of the Former Chief Executive Officer. See Note K for the terms of the note payable.

As disclosed in Note K, the Organization also has a loan payable to a non-profit organization which also provides pass-through state and federal funding for some of the Organizations Programs. See Note J for the terms of the note payable.

**M | NET ASSETS**

Temporarily restricted net assets consisted of grants and other unexpended revenues subject to donor restrictions and available for the following purposes as of June 30, 2012:

NH Charitable Foundation Grant, Mt. Jasper	\$ 46,650
Privately Funded Fuel Assistance Emergency Fund	12,609
Privately Funded Fuel Assistance Program	143,916
Federal and State Funding for the Head Start	361,817
Federal Community Services Block Grant	168,966
Private Grant for the Alcohol and Other Drug Program	50,000

*(Continued on next page)*

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

Notre Dame Project	14,939
Department of Energy Weatherization Program	22,827
State Funding for Tyler Blain House	9,599
Federal Funding for North Country Transit	16,352
Federal Funding for the Heating Repair and Replacement Program	37,312
Federal Funding for the Sustainable Energy Resource	22,421
Federal Funding for the Adult and Dislocated Worker Program	20,583
Federal Funding for the Low Income Home Energy Assistance Program	26,849
Other Miscellaneous Programs	7,659
	<u>\$ 962,499</u>

**N | IN-KIND CONTRIBUTIONS**

The Organization records the value of in-kind contributions according to the accounting policy described in Note B. 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 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.

**O | RETIREMENT PLAN**

The Organization has a 403(b) tax deferred annuity plan covering all employees. Each employee may elect salary reduction agreement contributions in accordance with limits allowed in the Internal Revenue Code.

The employer shall match each dollar of a participant's elective deferrals up to 5% of each participant's annual salary. The Organization's retirement contribution was \$167,220 for year ended June 30, 2012.

**P | PRIOR PERIOD ADJUSTMENTS**

The prior year financial statements were restated to reflect the following misstatements.

Cash was overstated and Accounts Payable was understated by checks which were issued but not mailed in the amount of \$141,522. This had no effect on net assets.

---

*(Continued on next page)*

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

Cash was overstated by \$23,258 due to an unknown reconciliation discrepancy between the reconciliation and the actual general ledger balance. The result of this adjustment reduces unrestricted net assets as reported on June 30, 2011.

Cash was overstated by \$460,215 due to an unknown outstanding debit to cash used as a reconciling item for multiple bank statements going back more than a year. The Organization is continuing to research this item, however, the result of this adjustment reduces unrestricted net assets as reported on June 30, 2011.

Payroll liabilities and the related expenses were understated by \$106,600 because accrued payroll was not posted in the prior year. This adjustment reduces unrestricted net assets as reported on June 30, 2011.

Accrued employee benefits and the related expenses were overstated by \$109,421. This adjustment increases unrestricted net assets as reported on June 30, 2011.

Accumulated depreciation and depreciation expense was understated by \$33,763. This adjustment decreases unrestricted net assets as reported on June 30, 2011.

Accounts payable was overstated by \$19,724. This adjustment increased unrestricted net assets as reported on June 30, 2011.

The Capital lease liability was overstated by \$27,547 due to the lease being reported at the gross value of payments rather than being discounted based upon the effective interest rate. The effect of this adjustment was an increase to unrestricted net assets as reported on June 30, 2011.

Accounts receivable for the Dental Center and related income were understated by \$49,879. The effect of this adjustment was an increase to unrestricted net assets as reported on June 30, 2011.

Long term liabilities were understated by \$69,813 due to the fair value of the swap not being recorded in the financial statements. This adjustment decreased unrestricted net assets as reported on June 30, 2011.

Deferred revenue was overstated by \$51,508. This adjustment increases unrestricted net assets as reported on June 30, 2011.

Accounts receivable was overstated by \$74,390 for amounts recorded as amounts receivable on grants which were not valid claims. This adjustment decreases unrestricted net asset as reported on June 30, 2011.

Temporarily restricted net assets were understated by \$195,300 related to contributions received with donor use restrictions which had not been expended for the purpose intended. This adjustment resulted in an increase in temporarily restricted net assets and a decrease in unrestricted net assets as reported on June 30, 2011.

---

*(Continued on next page)*

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
NOTES TO FINANCIAL STATEMENTS

---

**Q | GOING CONCERN**

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As shown in the financial statements the Organization incurred a net loss of \$1,078,642 for June 30, 2012. At June 30, 2012, current liabilities exceed current assets by \$5,357,132. At June 30, 2012 the Organization's total assets exceed total liabilities, however, certain net assets are temporarily restricted for specific purposes as disclosed in Note M. As a result, the Organization used restricted net assets for unrestricted purposes that contravene the donor's restrictions which total \$321,749.

As disclosed in Note K, in connection with a note payable to a bank, the Organization has violated certain provisions of the loan agreement. At June 30, 2012 the bank had not demanded immediate payment on outstanding principal balance, however, due to the violation of the agreement the note is shown as a current liability. A significant portion of the Organization's operating assets are pledged as collateral for this note, and foreclosure by the bank would seriously impair the Organization's continued existence.

The Organization plans to continue as a going concern by instituting cost reductions for expenses that have been determined to be excessive and discretionary. Management has also identified inefficiencies throughout the Organization due to lack of oversight by previous management and anticipates substantial cost savings opportunities as a result of implementing new operational systems. Additional areas that will be addressed include evaluating building vacancies and renting or selling unused space, increasing fundraising efforts, and increase revenues from programs offering services that generate unrestricted revenues.

**R | SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 28, 2013, the date which the financial statements were available to be issued.

On December 14, 2012, a probate judge suspended the board of directors and appointed a special trustee to oversee the operations of the Organization at the request of the state Attorney General's office after the resignation of the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) in early December.

The line of credit with TD Bank was converted to an amortizing term loan on November 14, 2012. Additionally, a commercial real estate mortgage and assignment of leases and rents was added as collateral at that time.

A portion of the cash balance which had been transferred from the Guardianship account was repaid leaving a liability to the clients serviced by the Guardianship Program of \$224,000.

In January of 2012, there was a fire in a building owned by the Organization that was used as a thrift store. The Organization had adequate insurance to cover losses suffered by the fire.

Various parties were provided notices of forthcoming claims for damages on account of theft, casualty loss, and negligence due to misappropriation of the Organization's assets.

---

**TRI-COUNTY COMMUNITY ACTION PROGRAM**  
**SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Agency Fund	Head Start	Guardianship	Transportation	Volunteer	Workforce Development	AOD
<b>DIRECT EXPENSES</b>							
Payroll	\$ 140,025	\$ 1,108,781	\$ 464,332	\$ 520,232	\$ 75,103	\$ 210,894	\$ 732,447
Payroll Taxes & Benefits	182,868	420,707	183,779	124,570	31,209	86,621	262,227
Assistance to Clients	4,217	(391)	-	16	-	23,965	3,945
Consultants and Contractors	106,725	15,153	2,761	27,219	-	1,878	36,713
Fiscal and Administrative	22,916	22,330	8,125	417	84	1,094	17,049
Space Costs and Rentals	9,434	180,156	40,064	10,240	5,376	124,410	15,427
Consumable Supplies	11,701	134,788	14,621	12,426	965	9,660	103,331
Rental, Lease, Purchase and Maintenance of Equipment	1,580	2,197	35	23,888	-	5,376	-
Building and Grounds Maintenance	56,447	20,248	-	2,790	-	13,264	36,539
Utilities	178,024	24,360	17,144	21,967	748	12,400	68,463
Fixed Fees	-	-	-	-	-	-	-
Travel and Meetings	8,357	74,692	17,208	35,384	310	15,003	13,852
Vehicle Expense	1,309	-	3,242	156,432	165	-	72,885
Insurance	91,920	31,312	1,624	15,784	810	-	5,082
Interest Expense	173,742	-	-	-	-	-	20,087
Other Direct Program Costs	8,122	7,999	2,724	10,051	149	692	19,908
Depreciation Expense	431,408	1,659	-	2,757	-	-	23,993
Fundraising	(131)	-	494	11,513	5,103	-	-
In-kind Expended	406	300,288	-	4,140	-	-	-
<b>Total Direct Expenses</b>	<b>1,429,070</b>	<b>2,344,479</b>	<b>756,153</b>	<b>979,826</b>	<b>120,022</b>	<b>505,257</b>	<b>1,431,948</b>
<b>INDIRECT EXPENSES</b>							
Indirect Costs	86,441	177,981	57,998	75,879	9,148	29,727	113,078
<b>TOTAL DIRECT AND INDIRECT EXPENSES</b>	<b>\$ 1,515,511</b>	<b>\$ 2,522,460</b>	<b>\$ 814,151</b>	<b>\$ 1,055,705</b>	<b>\$ 129,170</b>	<b>\$ 534,984</b>	<b>\$ 1,545,026</b>

**TRI-COUNTY COMMUNITY ACTION PROGRAM**  
**SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Carroll County</u> <u>Dental</u>	<u>Carroll County</u> <u>Restorative Justice</u>	<u>Support Center</u>	<u>Homeless</u>	<u>Energy &amp;</u> <u>Development</u>	<u>Elder</u>	<u>Total</u>
<b>DIRECT EXPENSES</b>							
Payroll	\$ 304,561	\$ 145,602	\$ 135,124	\$ 400,219	\$ 1,628,677	\$ 497,581	\$ 6,363,578
Payroll Taxes & Benefits	101,725	43,662	41,467	138,389	749,727	163,177	2,530,128
Assistance to Clients	1,345	-	185	167,664	5,893,149	339	6,094,434
Consultants and Contractors	18,772	10,286	-	4,627	79,423	57,653	361,210
Fiscal and Administrative	4,813	678	495	5,511	44,885	12,107	140,704
Space Costs and Rentals	-	35,724	66,910	26,583	152,536	65,087	731,947
Consumable Supplies	18,706	1,060	5,638	7,653	583,123	264,084	1,167,756
Rental, Lease, Purchase and Maintenance of Equipment	9,028	-	-	-	974	1,830	44,908
Building and Grounds Maintenance	5,713	120	7,424	573	5,737	4,506	153,361
Utilities	7,598	2,983	19,702	26,637	51,170	20,577	451,773
Fixed Fees	-	-	-	2	14,505	4,127	18,634
Travel and Meetings	2,399	2,337	5,470	22,597	14,309	31,519	243,437
Vehicle Expense	-	-	-	6,310	77,753	571	318,667
Insurance	15,622	1,900	-	16,399	31,060	-	211,513
Interest Expense	27,382	-	-	-	922	-	222,133
Other Direct Program Costs	2,100	75	1,475	28,152	2,816	3,514	87,777
Depreciation Expense	32,542	-	9,665	1,752	6,792	-	510,568
Fundraising	-	-	334	785	-	-	18,098
In-kind Expended	-	-	-	-	-	106,448	411,282
<b>Total Direct Expenses</b>	<b>552,306</b>	<b>244,427</b>	<b>293,889</b>	<b>853,853</b>	<b>9,337,558</b>	<b>1,233,120</b>	<b>20,081,908</b>
<b>INDIRECT EXPENSES</b>							
Indirect Costs	43,535	16,770	18,021	54,324	282,010	93,119	1,058,031
<b>TOTAL DIRECT AND INDIRECT EXPENSES</b>	<b>\$ 595,841</b>	<b>\$ 261,197</b>	<b>\$ 311,910</b>	<b>\$ 908,177</b>	<b>\$ 9,619,568</b>	<b>\$ 1,326,239</b>	<b>\$ 21,139,939</b>



# **TRI-COUNTY COMMUNITY ACTION PROGRAM Inc.**

**Serving Coös, Carroll & Grafton Counties**

30 Exchange Street, Berlin, N.H 03570

(603) 752-7001 • Toll Free: 1-800-552-4617 • Fax: (603) 752-7607

Website: <http://www.tccap.org> • E-mail: [admin@tccap.org](mailto:admin@tccap.org)

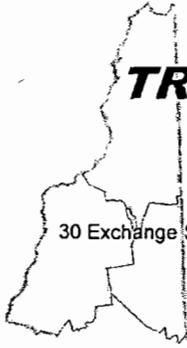
Chief Operating Officer: Peter Higbee

## **Tri-County Community Action Program, Inc.**

### **Board of Directors**

The Board of Directors was been suspended in Coös County Probate Court Case #314-2012-EX-00288 on December 14, 2012. Todd C. Fahey, Esq., was appointed special trustee of Tri-County Community Action Program until such time as the issues resulting in his appointment have been satisfactorily addressed. The special trustee holds all powers under the by-laws of Tri-County Community Action and the laws of the State of New Hampshire to operate the organization.

The Special Trustee is now gathering names of individuals for potential appointment as members of a newly-reconstituted Board of Directors sometime during the summer of 2013.



# **TRI-COUNTY COMMUNITY ACTION PROGRAM Inc.**

**Serving Coos, Carroll & Grafton Counties**

30 Exchange Street, Berlin, N.H 03570 • (603) 752-7001 • Toll Free: 1-800-552-4617 • Fax: (603) 752-7607  
Website: <http://www.tccap.org>

## 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 PRPGRAM, 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 PRPGRAM, Inc.  
...Helping people, changing lives.*

Weatherization  
(603) 752-7105

Administration  
(603) 752-7001

AoD  
(603) 869-2210

North Country  
Transit  
(603)752-1741



Tamworth Dental  
Center  
323-7645

North Country  
Elder Programs  
(603)752-3010

Energy Programs  
(603) 752-7100

R.S.V.P  
(603) 752-4103

# **TRI-COUNTY COMMUNITY ACTION PROGRAM Inc.**

**Serving Coös, Carroll & Grafton Counties**

30 Exchange Street, Berlin, N.H 03570  
(603) 752-7001 • Toll Free: 1-800-552-4617 • Fax: (603) 752-7607  
Website: <http://www.tccap.org> • E-mail: [admin@tccap.org](mailto:admin@tccap.org)  
Chief Operating Officer: Peter Higbee

## Key Administrative Personnel Sheet for the combined 2013-2014 contract for SGIA, HOIP and PATH

<b>Name</b>	<b>Position</b>	<b>Annual Salary</b>	<b>% paid from contract</b>	<b>Amount paid from contract</b>
Peter Higbee	Chief Operating Officer	\$ 90,000	0.0%	\$ 0.00
Rea Pfeiffer	Chief Financial Officer	\$ 83,000	0.0%	\$ 0.00

**Brenda Gagne  
Transportation Operations Manager  
Tri County CAP Inc.**

***Professional Summary:***

Successful management of the day to day aspects of Public Transportation routes and Demand Response transportation program including daily operations, statistical data reporting, Federal grant writing, warrant articles, Federal quarterly reports, facility management, accounting, staff management; monitoring productivity goals; and keeping current on FTA and DOT procedures and policies. Proficient in Microsoft excel, word, publisher and power point.

**Experience:**

**Tri-County CAP, Inc.  
Tri County CAP Transit  
31 Pleasant St. Suite 100  
Berlin NH 03570  
603-752-1741  
7/2004-Present**

**Operations Manager**

**Responsibilities include;**

- \*Overseeing daily operations of a public transit and Para transit service.**
- \*Facility Management.**
- \*Gathering statistics**
- \*Quarterly reporting to NHDOT and BEAS.**
- \*ADA compliance**
- \*Preparing quarterly invoices to BEAS and NHDOT**
- \*Weekly employee scheduling, staff management.**
- \*Creating procedure manuals**
- \*Grant writing**
- \*Budget preparation**
- \*Writing Warrant Articles**
- \*Drug & Alcohol Testing**
- \*Emergency Preparedness**

Beverly Raymond, CCTM  
Transportation Director  
Tri County CAP Inc.  
[braymond@tccap.org](mailto:braymond@tccap.org)

Objective:

To obtain a position where I can oversee and manage all aspects of an expanding human service/public transportation program.

Qualifications:

2004 to Present

\* Director of North Country Transit a Tri-County CAP, Inc. Program

Responsible for overseeing the planning and operations of the transit program.

1994 to 2004

\* Assisted the Director of North Country Transit with program responsibilities. Served as interim Director in the absence of a permanent Director.

\* Human Resources and Safety Manager for Tri-County CAP, Inc., North Country Elderly Programs.

1985 to 2004

\*Coordinator of the Tri-County CAP, Inc., Healthy Older People's Education (HOPE) program, a wellness program providing direct service through a volunteer base.

1996 to 2001

\*Co-proprietor and administrator for Luc's Appraisal Services, an independent vehicle adjusting firm serving over 25 insurance companies.

Committees and affiliations:

Member of the Governor's Task Force on Transportation which has morphed into the State Coordinating Council where I represent NH Community Action Agencies

Vice Chair of the New Hampshire Transit Association and a member of the Association's Legislative Committee

Chair of the North Country Council Region Planning Commission's Transportation Advisory Committee

Member of Region Coordinating Councils in Region 1 and 2

Member of the Community Transportation Association of America.