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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR CHILDREN, YOUTH & FAMILIES

Lori A. Shibinette
Commissioner

Joseph E. Ribsam, Jr.
Director

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-4451 1-800-852-3345 Ext. 4451
Fax: 603-271-4729 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

February 22, 2021

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Children, Youth and Families, to amend an existing **Sole Source** contract with Eckerd Youth Alternatives, Inc. d/b/a Eckerd Connects (VC#171668), Clearwater, Florida to continue providing Eckerd Rapid Safety Feedback® services, by excising a renewal option by increasing the price limitation by \$216,000 from \$216,000 to \$432,000 and by extending the completion date from June 30, 2021 to June 30, 2023 effective June 30, 2021 or upon Governor and Council approval, whichever is later. 100% Federal Funds

The original contract was approved by Governor and Council on June 19, 2019, item #69.
05-95-042-421010-29600000, HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION FOR CHILDREN, YOUTH AND FAMILIES, CHILD PROTECTION, ORGANIZATIONAL LEARNING & QUALITY IMPROVEMENT

State Fiscal Year	Class / Account	Class Title	Job Number	Current Budget	Increased (Decreased) Amount	Revised Budget
2020	067-500557	Training & Providers	42106040	\$108,000	\$0	\$108,000
2021	067-500557	Training & Providers	42106040	\$108,000	\$0	\$108,000
2022	067-500557	Training & Providers	42106040	\$0	\$108,000	\$108,000
2023	067-500557	Training & Providers	42106040	\$0	\$108,000	\$108,000
			Total	\$216,000	\$216,000	\$432,000

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
Page 2 of 2

EXPLANATION

This request is **Sole Source** because the contract was originally approved as sole source and MOP 150 requires any subsequent amendments to be labelled as sole source. Additionally, the Contractor has proprietary rights to Eckerd Rapid Safety Feedback®, which is a program that utilizes predictive analytics to help identify child welfare cases of the highest probability of serious injury or death. The program identifies critical case practices in order to improve the safety of children being served. The Rapid Safety Feedback® model is dependent upon proprietary web-based software called Mindshare and the Contractor subcontracts with Mindshare to provide this service.

The Contractor and the Department will continue working collaboratively to identify children who are at the highest risk of abuse and neglect to mitigate the risk of repeat maltreatment from caregivers, and to reduce child abuse and neglect fatalities. Utilizing its subcontract with proprietary software entity Mindshare, will continue hosting, maintaining and supporting a dedicated, secure Web Portal that provides the Department with twenty-four (24) hour technical support and access to the reports it generates. The Web Portal will enable the Department to conduct statistical analysis of Child Abuse Investigations where the outputs of the predictive model are accessible for daily use. The Web Portal contains outputs that include a prediction across live data, a cross tabulation of all findings from the historical data set, and a data worksheet allowing the Department to navigate to investigation/case/participant detail as it pertains to the data provided, combined with the outputs of the modeling.

Although Rapid Safety Feedback implementation was only started in May of 2018, the preliminary results are promising in terms of safety interventions, findings, and even the length of time an assessment remains open. A strong correlation has already been observed between finding rates and Eckerd Rapid Safety Feedback® indicating the right children are being identified, and appropriate interventions are being made to mitigate risk and create safety for these children.

As referenced in Exhibit A of the original contract, the parties have the option to extend the agreement for up to four (4) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval. The Department is exercising its option to renew services for two (2) of the four (4) years available.

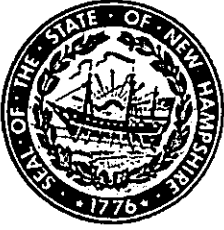
Should the Governor and Council not authorize this request the Department's ability to improve child safety and reduce child abuse and neglect, including fatalities, may be significantly diminished.

Area served: Statewide

Respectfully submitted,



Lori A. Shibinette
Commissioner



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doi

Denis Goulet
Commissioner

March 4, 2021

Lori A. Shibinette, Commissioner
Department of Health and Human Services
State of New Hampshire
129 Pleasant Street
Concord, NH 03301

Dear Commissioner Shibinette:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend an existing **Sole Source** contract with Eckerd Youth Alternatives, Inc. d/b/a Eckerd Connects (VC#171668), Clearwater, Florida as described below and referenced as DoIT No. 2019-097A.

The purpose of this request to amend the current contract for the Rapid Safety Feedback @ services (Mindshare Technology). This program assists identifying children who are at the highest risk of abuse and neglect to mitigate the risk of repeat maltreatment from caregivers, and to reduce child abuse and neglect fatalities. The contractor will host, maintain and support a dedicated, secure Web Portal to provide the Department with twenty-four (24) hour technical support and access to the Web Portal and the reports it generates.

The funding amount for this amendment is \$216,000.00, increasing the current contract from \$216,000.00 to \$432,000.00 and by extending the completion date to June 30, 2023 from the original completion date of June 30, 2021. This amendment shall become effective upon Governor and Executive Council approval through June 30, 2023.

A copy of this letter should accompany the Department of Health and Human Services' submission to the Governor and Executive Council for approval.

Sincerely,

Denis Goulet

DG/kaf
DoIT #2019-097A
RID: N/A
cc: Michael Williams, IT Manager, DoIT

**State of New Hampshire
Department of Health and Human Services
Amendment #1**

This Amendment to the Eckerd Youth Alternatives, Inc. d/b/a Eckerd Kids is by and between the State of New Hampshire, Department of Health and Human Services ("State" or "Department") and Eckerd Youth Alternatives, Inc. d/b/a Eckerd Connects ("the Contractor").

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019, (Item #69), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit A, Scope of Services, Section 6, Renewal, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to extend the term of the agreement, increase the price limitation, or modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-38, General Provisions, Block 1.8, Price Limitation, to read:
\$432,000
2. Form P-37, General Provisions, Block 1.7, Completion Date, to read:
June 30, 2023
3. Modify Exhibit A, Scope of Services, Section 3, Scope of Services, Subsection 3.5, to read:
 - 3.5. The Contractor shall conduct a one (1) to two (2)-day fidelity review, as necessary to complete a thorough review. The Contractor shall:
 - 3.5.1 Perform the fidelity reviews from two (2) to four (4) times per year, as determined by the Department;
 - 3.5.2 Coordinate the sharing of best practices across jurisdictions through the Eckerd Rapid Safety Feedback® Community of Practice; and
 - 3.5.3 Ensure each fidelity review:
 - 3.5.3.1. Allows for direct observation of the DCYF safety coaching process from start to finish, including sample selection through action item tracking;
 - 3.5.3.2. Includes a review of case review results;
 - 3.5.3.3. Identifies trends in interrater reliability; and
 - 3.5.3.4. Ensures the frequency of documentation meets current standards.
4. Modify Exhibit A, Scope of Services, Section 3, Scope of Services, Subsection 3.6, to read:
 - 3.6. The Contractor shall schedule and provide training of newly hired QA staff and DCYF staff identified as fidelity coaches or reviewers immediately before or after the planned fidelity reviews.
5. Modify Exhibit A, Scope of Services, Section 3, Scope of Services, Subsection 3.7, to read:
 - 3.7. The Contractor shall provide case review coaching sessions to Department staff at least on a monthly basis.. The Contractor shall:
 - 3.7.1 Include more advanced topics in monthly coaching sessions for seasoned coaches

and reviewers, as requested by the Department; and

3.7.2 Provide up to three (3) coaching sessions for newly hired DCYF Quality Assurance staff, which include remote observation via conference call or WebEx.

6. Modify Exhibit A, Scope of Services, Section 5, Deliverables, to read:

Reserved.

7. Modify the Corporation Name in Exhibit A, Scope of Services, Footer, to read:

Eckerd Youth Alternatives, Inc. d/b/a Eckerd Connects

8. Modify the Corporation Name in Exhibit B, Methods and Conditions Precedent to Payment, Footer, to read:

Eckerd Youth Alternatives, Inc. d/b/a Eckerd Connects

All terms and conditions of the Contract not modified by this Amendment remain in full force and effect. This Amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

3/23/2021
Date

DocuSigned by:
Joseph E. Ribsam, Jr.
Name: Joseph E. Ribsam, Jr.
Title: Director

Eckerd Youth Alternatives, Inc. d/b/a Eckerd Connects

3/2/2021
Date

DocuSigned by:
Tony Van Slyke
Name: Tony Van Slyke
Title: chief financial officer

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

4/1/2021

Date

DocuSigned by:



Name: Catherine Pinos

Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:

Title:

State of New Hampshire

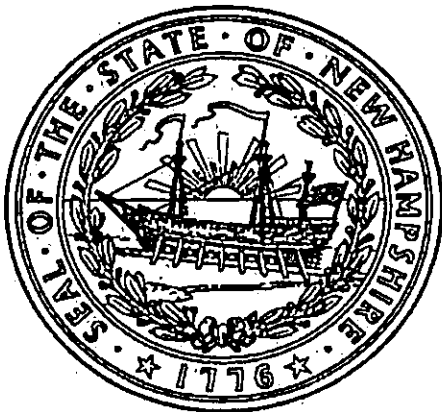
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that ECKERD YOUTH ALTERNATIVES, INC. is a Florida Nonprofit Corporation registered to transact business in New Hampshire on August 25, 1986. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 100341

Certificate Number: 0005265182



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 22nd day of February A.D. 2021.

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

William M. Gardner
Secretary of State

Filing History

 [Back to Home \(/online\)](#)

Business Name	Business ID
Eckerd Youth Alternatives, Inc.	100341

Filing#	Filing Date	Effective Date	Filing Type	Annual Report Year
0005060352	12/23/2020	12/23/2020	Nonprofit Report	2020
0004772622	01/16/2020	01/16/2020	Annual Report Reminder	N/A
0003191307	12/04/2015	12/04/2015	Nonprofit Report	2015
0000620455	11/21/2011	11/21/2011	Change of Business Address	N/A
0000620454	01/03/2011	01/03/2011	Agent Change/Resign.	N/A
0000620453	07/21/2010	07/21/2010	Annual Report	2010
0000620452	08/11/2008	08/11/2008	Amendment	N/A
0000620450	11/11/2005	11/11/2005	Annual Report	2005
0000620449	03/06/2000	03/06/2000	Annual Report	2000
0000620448	01/30/1995	01/30/1995	Annual Report	1995
0000620447	02/06/1990	02/06/1990	Annual Report	1990

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NH Department of State, 107 North Main St. Room 204, Concord, NH 03301 -- [Contact Us \(/online/Home/ContactUS\)](#)

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CERTIFICATE OF AUTHORITY

I, V. Raymond Ferrara, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Eckerd Youth Alternatives Inc.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on October 20, 2020, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Tony Van Slyke, Chief Financial Officer (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Eckerd Youth Alternatives Inc. to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority remains valid for **thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 3/24/21



Signature of Elected Officer
Name: V. Raymond Ferrara
Title: Board Chairman

**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

2/22/2021

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

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

PRODUCER Bouchard Insurance 101 N Starcrest DR Clearwater FL 33765	CONTACT NAME: PHONE (A/C, No. Ext): 727-447-6481 FAX (A/C, No): 727-449-1267 E-MAIL: dcerts@bouchardinsurance.com	
	INSURER(S) AFFORDING COVERAGE INSURER A: Capitol Specialty Ins Corp NAIC # 10328 INSURER B: Markel Insurance Company 38970 INSURER C: Commerce & Industry Ins Co 19410 INSURER D: Markel Global Reinsurance Company 10829 INSURER E: INSURER F:	
INSURED Eckerd Youth Alternatives, Inc 100 N Starcrest Drive Clearwater FL 33765-3224	ECKERDOYO	

COVERAGES

CERTIFICATE NUMBER: 480565919

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> 10,000 GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			HS2017214704	7/1/2020	7/1/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000 \$
D B A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY			FITAU371202020 1002MT4685631 HS2017214704	6/1/2020 6/1/2020 7/1/2020	6/1/2021 6/1/2021 7/1/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0			HS2017214804	7/1/2020	7/1/2021	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
C C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input type="checkbox"/> N/A			WC011569708 WC011569707	4/1/2020 4/1/2020	4/1/2021 4/1/2021	<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$ \$1,000,000 E.L. DISEASE - POLICY LIMIT \$ \$1,000,000
A	Professional Liability Abuse/ Molestation			HS2017214704	7/1/2020	7/1/2021	\$1,000,000/\$3,000,000 \$1,000,000/\$3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 NAMED INSURED SCHEDULE: Eckerd Youth Alternatives, Inc. d/b/a Eckerd Connects; Caring for Children, Inc.; Paxen Learning Services, LLC

Workers Compensation:
 WC011569708 - CT, DC, FL, GA, KS, MD, LA, NC, NJ, NY, OK, PA, SC, TX; Policy #: WC011569708 - California only

CERTIFICATE HOLDER**CANCELLATION**

State of New Hampshire
 Department of Health and Human Services
 129 Pleasant Street
 Concord NH 03301-3857

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Eckerd Connects

Mission:

Provide and share solutions that promote the well-being of children, young adults and families in need.

Jack and Ruth Eckerd founded Eckerd Connects as a way to help 25 children and their families get a second chance. Since that groundbreaking day back in 1968, Eckerd Connects has grown to help hundreds of thousands of clients get the second chance that everyone deserves.

Eckerd Connects is committed to not only providing the solutions that help struggling families thrive, but also sharing these solutions with others.

At Eckerd Connects, we believe providers and agencies alike are strongest when they are working together rather than apart on ways to improve long-term outcomes.

“Provide and share solutions that promote the well-being of children, young adults and families in need.” This is Eckerd Connects’ mission, Eckerd Connects’ lifework. It is the essence of almost five decades of caring, and it is the foundation of Eckerd Connects’ future.



Audited Financial Statements

June 30, 2020 and 2019

ECKERD CONNECTS**Table of Contents**

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AUDITED FINANCIAL STATEMENTS



Mayer Hoffman McCann P.C.

13577 Feather Sound Drive, Suite 400 ■ Clearwater, FL 33762
Main: 727.572.1400 ■ Fax: 727.571.1933 ■ www.mhmcpa.com

**Independent Auditor's Report on Combined Financial Statements
and Supplementary Financial Information**

To the Board of Directors
Eckerd Youth Alternatives, Inc.:

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Eckerd Youth Alternatives, Inc. (d/b/a Eckerd Connects) and Affiliates (collectively, "Eckerd Connects" or the "Organization"), which comprise the combined statements of financial position as of June 30, 2020 and 2019, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We did not audit the financial statements of Odle Management Group, LLC, a company included in the combined financial statements, which statements reflect total assets of \$10,542,918 as of June 30, 2020 and total revenues of \$30,015,774 for the four months ended June 30, 2020. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Odle Management Group, LLC, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

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

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

Opinion

In our opinion the combined financial statements referred to above present fairly, in all material respects, the financial position of Eckerd Connects as of June 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combining schedules and the accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and Chapter 10.650, *Rules of the State of Florida Auditor General*, are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020, on our consideration of Eckerd Connects' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eckerd Connects' internal control over financial reporting and compliance.

Mayer Hoffman McCann P.C.

December 22, 2020
Clearwater, Florida

ECKERD CONNECTS

Combined Statements of Financial Position

June 30, 2020 and 2019

Assets	2020	2019
Current assets:		
Cash and cash equivalents	\$ 10,464,339	10,052,873
Restricted cash	1,393,695	1,366,846
Accounts receivable	28,489,511	20,084,844
Contributions receivable	766,760	1,343,203
Other current assets	1,675,379	507,108
Total current assets	42,789,684	33,354,874
Investments	8,825,623	5,767,027
Note receivable	1,162,816	1,162,816
Other assets	714,355	493,561
Property and equipment, net	5,819,045	6,282,700
Goodwill	2,860,257	909,293
Other intangible assets	7,853,435	2,773,243
Beneficial interest in perpetual trusts	26,486,630	27,165,332
Total assets	\$ 96,511,845	77,908,846
Liabilities and Net Assets		
Current liabilities:		
Short-term notes payable	\$ -	1,650,000
Current portion of capital lease obligations	177,793	151,744
Current installments of long-term debt	975,630	334,113
Accounts payable and accrued expenses	21,095,365	14,370,699
Accrued pension expenses	805,245	1,149,452
Deferred revenue	412,790	-
Current portion of obligation under earnout provision	2,968,661	-
Total current liabilities	26,435,484	17,656,008
Capital lease obligations, less current portion	243,597	160,748
Long-term debt, excluding current installments	6,211,658	313,670
Obligation under earnout provision, less current portion	2,406,339	-
Total liabilities	35,297,078	18,130,426
Net assets:		
Without donor restrictions:		
Undesignated	24,200,086	25,835,732
Designated	8,863,136	5,804,955
Total net assets without donor restrictions	33,063,222	31,640,687
With donor restrictions	28,151,545	28,137,733
Total net assets	61,214,767	59,778,420
Total liabilities and net assets	\$ 96,511,845	77,908,846

ECKERD CONNECTS

Combined Statement of Activities

Year Ended June 30, 2020
(With Comparative Totals for 2019)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
Operating support and revenue:				
Program revenues:				
Funding contracts	\$ 280,967,113	-	280,967,113	230,111,648
Medicaid and third party insurance	1,131,193	-	1,131,193	1,615,552
Contributions	3,472,159	-	3,472,159	3,883,128
Interest and dividends, net of fees	188,056	-	188,056	86,958
Other revenue	329,434	-	329,434	363,111
Net assets released from restriction:				
Satisfaction of use restrictions	57,286	-	57,286	741,012
Total operating support and revenue	286,145,241	-	286,145,241	236,801,409
Operating expenses:				
Program services	267,657,426	-	267,657,426	220,486,831
Supporting services	17,454,848	-	17,454,848	16,378,764
Total operating expenses	285,112,274	-	285,112,274	236,865,595
Change in net assets from operations	1,032,967	-	1,032,967	(64,186)
Other changes:				
Unrealized and realized gains on investments	321,699	-	321,699	445,389
Gain on sale of property and equipment	67,869	-	67,869	2,452,565
Restricted grants and contributions	-	749,800	749,800	1,041,556
Change in value of beneficial interest in perpetual trusts	-	(678,702)	(678,702)	1,929,916
Net assets released from restrictions	-	(57,286)	(57,286)	(741,012)
Total other changes	389,568	13,812	403,380	5,128,414
Change in net assets	1,422,535	13,812	1,436,347	5,064,228
Net assets at beginning of year	31,640,687	28,137,733	59,778,420	54,714,192
Net assets at end of year	\$ 33,063,222	28,151,545	61,214,767	59,778,420

ECKERD CONNECTS**Combined Statement of Activities****Year Ended June 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating support and revenue:			
Program revenues:			
Funding contracts	\$ 230,111,648	-	230,111,648
Medicaid and third party insurance	1,615,552	-	1,615,552
Contributions	3,883,128	-	3,883,128
Interest and dividends, net of fees	86,958	-	86,958
Other revenue	363,111	-	363,111
Net assets released from restriction:			
Satisfaction of use restrictions	741,012	-	741,012
Total operating support and revenue	<u>236,801,409</u>	<u>-</u>	<u>236,801,409</u>
Operating expenses:			
Program services	220,486,831	-	220,486,831
Supporting services	16,378,764	-	16,378,764
Total operating expenses	<u>236,865,595</u>	<u>-</u>	<u>236,865,595</u>
Change in net assets from operations	(64,186)	-	(64,186)
Other changes:			
Unrealized and realized gains on investments	445,389	-	445,389
Gain on sale of property and equipment	2,452,565	-	2,452,565
Restricted grants and contributions	-	1,041,556	1,041,556
Change in value of beneficial interest in perpetual trust	-	1,929,916	1,929,916
Net assets released from restrictions	-	(741,012)	(741,012)
Total other changes	<u>2,897,954</u>	<u>2,230,460</u>	<u>5,128,414</u>
Change in net assets	2,833,768	2,230,460	5,064,228
Net assets at beginning of year	<u>28,806,919</u>	<u>25,907,273</u>	<u>54,714,192</u>
Net assets at end of year	<u>\$ 31,640,687</u>	<u>28,137,733</u>	<u>59,778,420</u>

ECKERD CONNECTS

Combined Statement of Functional Expenses

Year Ended June 30, 2020
(With Comparative Totals for 2019)

	Program Services					Supporting Services			Total		
	Residential Programs	Non-Residential Programs	Lead Agency	Job Corps and Workforce Development	Other Programs	Total	General and Administrative	Fundraising	Total	2020	2019
Operating expenses:											
Payroll and related expenses	\$ 6,767,310	10,598,910	18,815,391	40,396,320	271,856	76,849,787	8,485,805	628,324	9,114,129	85,963,916	56,439,254
Employee related	52,193	53,346	119,170	57,894	29,803	312,406	36,013	23,004	59,017	371,423	430,086
Training	15,688	228,414	28,275	123,710	8,573	404,660	98,130	2,464	100,594	505,254	423,172
Supplies and materials	159,506	536,760	434,382	1,532,777	55,321	2,718,746	231,221	144,972	376,193	3,094,939	990,716
Food	355,388	50,469	4,484	6,200	104	416,645	21	-	21	416,666	501,696
Technology	26,356	219,199	549,229	751,544	210,072	1,756,400	820,201	46,472	866,673	2,623,073	1,704,344
Travel	25,480	740,284	451,510	284,366	14,713	1,516,353	266,370	9,139	275,509	1,791,862	2,009,597
Vehicle	71,702	169,633	27,602	-	11,211	280,148	12,671	267	12,938	293,086	323,985
Repairs and maintenance	166,112	2,984,029	160,402	40,982	15,161	3,366,686	69,673	-	69,673	3,436,359	482,513
Utilities	208,246	63,400	95,068	37,893	28,748	433,355	78,214	-	78,214	511,569	576,733
Telephone	111,142	233,299	519,183	221,795	17,750	1,103,169	293,279	1,751	295,030	1,398,199	1,373,615
Depreciation and amortization	405,925	171,263	2,822	-	160,385	740,395	1,077,668	-	1,077,668	1,818,063	1,562,024
Insurance	259,853	438,204	683,118	163,295	23,135	1,567,605	232,843	-	232,843	1,800,448	1,507,298
Professional fees	69,779	719,958	132,410	137,765	367,694	1,427,606	3,757,159	439,903	4,197,062	5,624,668	5,559,248
Rent	86,000	789,858	2,697,443	3,483,322	108,243	7,164,866	228,840	41	228,881	7,393,747	4,560,086
Purchased services	-	6,150,152	144,528,900	544,278	621,220	151,844,550	35,600	-	35,600	151,880,150	141,679,797
Client related	116,135	1,236,340	4,438,290	8,638,204	41,523	14,470,492	4,669	-	4,669	14,475,161	14,465,918
Miscellaneous	66,057	556,138	138,182	214,706	308,474	1,283,557	418,446	11,688	430,134	1,713,691	2,275,513
Total operating expenses	\$ 8,962,872	25,939,656	173,825,861	56,635,051	2,293,986	267,657,426	16,146,823	1,308,025	17,454,848	285,112,274	236,865,595
	3.1%	9.1%	61.0%	19.9%	0.8%	93.9%	5.7%	0.5%	6.1%	100.0%	

See accompanying independent auditor's report and notes to combined financial statements.

ECKERD CONNECTS

Combined Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services					Supporting Services			Total Expenses	
	Residential Programs	Non-Residential Programs	Lead Agency	Workforce Development	Other Programs	Total	General and Administrative	Fundraising		Total
Operating expenses:										
Payroll and related expenses	\$ 7,180,049	10,654,685	14,205,825	15,439,924	159,719	47,640,202	8,326,875	472,177	8,799,052	56,439,254
Employee related	41,975	50,665	67,400	33,737	188,022	381,799	47,052	1,235	48,287	430,086
Training	19,305	143,739	37,601	99,289	46,467	346,401	67,350	9,421	76,771	423,172
Supplies and materials	141,300	215,752	215,718	290,195	5,283	868,248	106,419	16,049	122,468	990,716
Food	360,626	117,310	4,458	18,793	(20)	501,167	529	-	529	501,696
Technology	9,720	90,548	468,330	160,540	14,058	743,196	906,044	55,104	961,148	1,704,344
Travel	38,558	787,690	387,295	376,962	18,271	1,608,776	388,327	12,494	400,821	2,009,597
Vehicle	58,335	219,553	16,165	134	11	294,198	29,682	105	29,787	323,985
Repairs and maintenance	154,304	95,454	124,565	43,804	-	418,127	64,386	-	64,386	482,513
Utilities	248,676	95,840	100,546	52,790	17,217	515,069	61,664	-	61,664	576,733
Telephone	97,274	224,803	479,658	217,320	26,858	1,045,913	325,261	2,441	327,702	1,373,615
Depreciation and amortization	589,845	140,065	7,388	-	31,089	768,387	793,637	-	793,637	1,562,024
Insurance	270,080	370,099	557,220	124,068	9,965	1,331,432	175,866	-	175,866	1,507,298
Professional fees	91,811	1,285,833	123,376	440,768	826,308	2,768,096	2,742,472	48,680	2,791,152	5,559,248
Rent	92,753	833,668	2,598,957	778,151	37,918	4,341,447	218,425	214	218,639	4,560,086
Purchased services	-	4,292,575	135,793,088	274,095	230,682	140,590,440	1,089,357	-	1,089,357	141,679,797
Client related	138,938	939,935	4,688,871	8,607,873	83,897	14,459,514	6,404	-	6,404	14,465,918
Miscellaneous	20,503	919,129	229,812	282,197	412,778	1,864,419	393,777	17,317	411,094	2,275,513
Total operating expenses	\$ 9,554,052	21,477,343	160,106,273	27,240,640	2,108,523	220,486,831	15,743,527	635,237	16,378,764	236,865,595
	4.0%	9.1%	67.6%	11.5%	0.9%	93.1%	6.6%	0.3%	6.9%	100.0%

See accompanying independent auditor's report and notes to combined financial statements.

ECKERD CONNECTS

Combined Statements of Cash Flows

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,436,347	5,064,228
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,818,063	1,562,024
Unrealized and realized gains on investments	(321,699)	(445,389)
Gain on sale of property and equipment	(67,869)	(2,452,565)
Change in value of beneficial interest in perpetual trusts	678,702	(1,929,916)
(Increase) decrease in assets:		
Accounts and contributions receivable	1,304,587	(8,447,665)
Prepaid expenses	(614,314)	751,422
Other assets	(82,198)	143,734
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	1,389,938	354,389
Deferred revenue	412,790	-
Net cash provided by (used in) operating activities	<u>5,954,347</u>	<u>(5,399,738)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(444,176)	(631,442)
Proceeds from the sale of property and equipment	159,050	3,154,163
Purchases of investments	(5,899,922)	(2,321,029)
Proceeds from the sale of investments	3,163,025	2,234,072
Cash paid for acquisition of subsidiary	(7,182,292)	-
Net cash provided by (used in) investing activities	<u>(10,204,315)</u>	<u>2,435,764</u>
Cash flows from financing activities:		
Proceeds from long-term debt	7,500,000	-
Borrowings (payments) under short-term note payable	(1,650,000)	1,536,958
Principal payments on long-term debt	(960,495)	(323,100)
Principal payments on capital lease obligations	(201,222)	(198,368)
Net cash provided by financing activities	<u>4,688,283</u>	<u>1,015,490</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	438,315	(1,948,484)
Cash, cash equivalents, and restricted cash at beginning of year	<u>11,419,719</u>	<u>13,368,203</u>
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 11,858,034</u>	<u>11,419,719</u>
Cash, cash equivalents and restricted cash consist of:		
Cash and cash equivalents	\$ 10,464,339	10,052,873
Restricted cash	<u>1,393,695</u>	<u>1,366,846</u>
	<u>\$ 11,858,034</u>	<u>11,419,719</u>
Supplemental disclosures of cash flow information:		
Assets acquired under capital lease	\$ 310,120	16,743
Noncash consideration in acquisition of subsidiary	<u>\$ 6,139,832</u>	<u>-</u>
Cash paid for interest	<u>\$ 155,977</u>	<u>62,020</u>

ECKERD CONNECTS

Notes to Combined Financial Statements

June 30, 2020 and 2019

(1) **Description of Organization and Nature of Activities**

Eckerd Connects (the "Organization") is one of the largest nonprofit child and family service organizations in the United States. Eckerd Connects is an established national leader that has given much needed second chances to more than 200,000 children since 1968. Founded by Jack and Ruth Eckerd, our organization provides life-changing child welfare, behavioral health, juvenile justice, work force development, and Job Corps center training programs to more than 25,000 children and families every year.

The Organization's mission to provide and share solutions that promote the well-being of children and families in need of a second chance drives every action Eckerd Connects takes. Built on a bedrock of solution-oriented programs, Eckerd Connects assists both public and private organizations by sharing its best practices and advocating for system reform across the nation.

Eckerd Youth Alternatives, Inc. is the registered legal name with the State of Florida, however, the Organization began doing business as (d/b/a) Eckerd Connects in October 2017. For more information about Eckerd Connects, please visit www.Eckerd.org.

Effective August 31, 2014, Eckerd Connects was named the sole member of Caring for Children, Inc. ("Caring for Children"), a non-profit organization providing group homes, emergency shelters, foster care and other services to children in crisis in Western North Carolina. Caring for Children remains a separate tax exempt organization with its own Board of Directors consisting of several members of Eckerd Connects' senior executive team.

Eckerd Connects acquired Paxen, LLC and Paxen Learning Services, LLC (collectively, "Paxen") as the sole member of Paxen on January 31, 2015. Paxen provides workforce development treatment and day treatment in various states. Paxen is treated by the Internal Revenue Service as a disregarded entity for income tax purposes and maintains its own Board of Managers consisting of several members of Eckerd Connects' senior executive team.

On April 1, 2016, Eckerd Connects acquired substantially all of the assets of Henkels and McCoy, Inc.'s Training Services Group, through a mutually agreed upon asset contribution agreement. Henkels and McCoy, Inc.'s Training Services Group provided workforce training programs that require basic education and employment skills, which enable participants to obtain good jobs or enroll in post-secondary education.

On February 29, 2020, Eckerd Connects purchased 100% of the membership interest in Odle Management Group, LLC ("Odle"), an entity that manages Job Corps centers in nine states and workforce development programs in four states. These programs are funded under contracts with the U.S. Department of Labor. Odle is treated by the Internal Revenue Service as a disregarded entity for income tax purposes and maintains its own Board of Managers consisting of several members of Eckerd Connects' senior executive team.

ECKERD CONNECTS

Notes to Combined Financial Statements - Continued

(2) Summary of Significant Accounting Policies

(a) Principles of Combination

The combined financial statements include the consolidated financial statements of Eckerd Connects and its wholly-owned subsidiaries (Paxen and Odle) and its affiliate, Caring for Children. Significant intercompany balances and transactions have been eliminated in the combination.

(b) Basis of Presentation

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Eckerd Connects and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets without donor restrictions are available for use at the discretion of the Organization's Board of Directors (the "Board") and/or management for general operating purposes. From time to time, the Organization's Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net assets with donor restrictions: Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained in perpetuity while permitting the Organization to spend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

(c) Cash and Cash Equivalents

For purposes of the statements of cash flows, Eckerd Connects considers all highly liquid debt instruments purchased with a maturity of three months or less without restrictions to be cash equivalents.

(d) Restricted Cash

Restricted cash represents funds held for the benefit of Eckerd Connects' clients and Eckerd Connects' contributions as required by these contracts.

ECKERD CONNECTS**Notes to Combined Financial Statements - Continued****(2) Summary of Significant Accounting Policies - Continued****(e) Accounts Receivable**

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on historical experience, third-party contracts, and other circumstances, which may affect the ability of payors to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Accounts receivable primarily consists of amounts due from governmental agencies for services performed. At June 30, 2020 and 2019, an allowance for doubtful accounts has not been established as management believes that all amounts are collectible.

(f) Contributions Receivable

Contributions receivable are recorded without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a time or purpose restriction has been satisfied, amounts previously received and recorded in net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributions receivable which are due in more than one year are recorded at estimated fair value by discounting future cash flows using current risk-free rates of return based on yields of U.S. Treasury Securities with maturity dates similar to the expected collection period.

(g) Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value based on quoted market prices. Investment income (including realized and unrealized gains and losses on investments and interest and dividends, net of fees) is reflected in the combined statement of activities. Purchases and sales of investments are recorded on the trade date. The cost of investments sold is determined by the specific identification method.

(h) Note Receivable

Note receivable represents a promissory note accepted for the sale of real estate in 2010 which is collateralized by a mortgage on the underlying property. Note receivable is stated at the unpaid principal balance. An allowance for loan loss was not considered necessary based on the value of the collateral. Interest is recognized over the term of the loan at the rate of 5.5% and is calculated using the effective-interest method.

ECKERD CONNECTS**Notes to Combined Financial Statements - Continued****(2) Summary of Significant Accounting Policies - Continued****(i) Property and Equipment**

Property and equipment are recorded at cost if purchased or at estimated market value at the date of receipt if acquired by gift. Expenditures in excess of \$5,000 are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized over the lesser of the remaining lease term or the useful lives of the assets acquired. Property acquired with governmental funds is considered to be owned by the Organization while used in the program for which it was purchased or in future authorized programs; however, its disposition as well as ownership of any proceeds therefrom is subject to applicable regulations.

(j) Goodwill

Goodwill represents the excess of the purchase price of net assets acquired over the fair value of those net assets at the date of the Paxen and Odle acquisitions. Goodwill acquired is deemed to have an indefinite useful life and is not amortized, but is instead tested for impairment at least annually, or more frequently if events and circumstances indicate that the assets might be impaired.

(k) Other Intangible Assets

Other intangible assets as of June 30, 2019 consist of timber rights for property owned in North Carolina and customer relationships acquired in connection with the Henkels & McCoy asset contribution agreement described in Note 1. In 2020, Eckerd Connects acquired the following intangible assets in connection with the purchase of 100% of the membership interest in Odle: a non-competition covenant, customer contracts, internal use software, and their tradename. The value of intangible assets is based on projected cash flows these various assets are expected to generate in the future. Timber rights have an expected useful life of 20 years and are being amortized using the straight line method. Customer relationships from Henkels & McCoy have an expected useful life of 15 years and are being amortized using the straight line method. The non-competition covenant represents the value of a non-competition agreement with a key member of Odle's management and is being amortized over 4 years. Customer contracts are being amortized over 5 years, the average contract term for Odle's customer contracts. Internal use software represents Odle's proprietary technology which is being amortized over its useful life of 3 years. Tradename represents the value assigned to the acquired business name under which the business operates and is being amortized over 15 years. Amortization expense was \$592,808 and \$233,908 for the years ended June 30, 2020 and 2019, respectively. Future amortization expense for the next five years and thereafter related to the identified intangible assets described above is expected to be \$1,310,606 in 2021 and 2022; \$1,304,384 in 2023; \$1,236,439 in 2024; \$844,706 in 2025 and \$1,846,694 thereafter.

ECKERD CONNECTS**Notes to Combined Financial Statements - Continued****(2) Summary of Significant Accounting Policies - Continued****(k) Other Intangible Assets - Continued**

The gross carrying amounts and accumulated amortization of other intangibles as of June 30, 2020 and 2019 are as follows:

	2020		2019	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Timber rights	\$ 132,549	36,452	132,549	29,824
Customer relationships	3,409,178	965,940	3,409,178	738,660
Non-competition agreement	666,000	55,500	-	-
Customer contracts	4,211,000	280,734	-	-
Proprietary software	56,000	6,222	-	-
Tradenname	740,000	16,444	-	-
Total	\$ 9,214,727	1,361,292	3,541,727	768,484

(l) Income Taxes

Eckerd Connects and its affiliate, Caring for Children, are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under the provisions of the Florida and North Carolina Statutes. The Internal Revenue Code provides for taxation of unrelated business income; however, such status is subject to final determination upon examination of the related income tax returns by the appropriate taxing authorities. The Organization does not believe it has any material income tax exposure relating to uncertain tax positions as defined in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*. The Organization's income tax filings remain subject to examination for the fiscal year ended June 30, 2017 and thereafter.

(m) Donated Materials and Services

Eckerd Connects receives food commodities and certain supplies for use in its programs. These donated supplies are recorded at fair value in the combined financial statements at the date of receipt. Donations of services are recorded as support at their estimated fair value if the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

(n) Functional Expense Allocation

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the Combined Statement of Functional Expenses. Expenses directly attributable to a specific functional area of the Organization are reported as direct expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the functional areas based on either time spent by employees on each functional area or based on a square footage analysis for all indirect occupancy-related expenses.

ECKERD CONNECTS

Notes to Combined Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(o) Advertising

Advertising costs are expensed as incurred. Total advertising expense for the years ended June 30, 2020 and 2019, was approximately \$370,000 and \$827,000, respectively.

(p) Estimates

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

(q) Going Concern Evaluation

On an annual basis, as required by ASC Topic 205, *Presentation of Financial Statements - Going Concern*, the Organization performs an evaluation to determine whether there are conditions or events (known and reasonably knowable), considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

(r) Recent Accounting Pronouncement

In fiscal year 2020, Eckerd Connects adopted Accounting Standards Update ("ASU") No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The contribution standard addresses inconsistency in revenue recognition when an item should be considered a contribution or an exchange type transaction subject to other guidance. It also provides guidance as to when a contribution should be considered conditional, which for example, is typically the case when funds are received under governmental grants and contracts. Conditional contributions have different revenue recognition when compared to non-reciprocal transfers of resources in that amounts are reflected as earned when barriers to entitlement are overcome with any difference being deferred where applicable.

The contribution standard was applied using the modified retrospective method. This method was applied to transactions that were not complete or had otherwise already been recognized as of the beginning of fiscal year 2020. The adoption of this guidance did not have an impact on the Organization's combined financial statements. In addition, certain changes from adopting this new standard resulted in changes to terminology which impacted certain disclosures and presentation of amounts.

(s) Reclassifications

Certain amounts in the 2019 combined financial statements have been reclassified to conform with the 2020 presentation.

ECKERD CONNECTS

Notes to Combined Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(t) Subsequent Events and Management's Review

Management has evaluated subsequent events for potential recognition or disclosure through December 22, 2020, the date the combined financial statements were available to be issued.

On December 14, 2020 Eckerd Connects purchased 262 acres of land in Candor, North Carolina, where it has operated a 40-bed male juvenile justice residential program. Since the inception of the program in 1979 Eckerd Connects has leased the land but was recently approached by the owners of the land with a bargain purchase offer. The land was appraised at \$1,517,000 but Eckerd Connects was able to purchase the land for \$857,000 because Eckerd Connects had previously paid for the construction of the facilities on the property that led to the higher appraisal value. In September 2020, Eckerd Connects renewed its contract with the North Carolina Department of Public Safety to operate the program through September 2023.

(3) Contributions Receivable

Contributions receivable primarily consist of promises to give from the National Foundation for Youth ("NFY"), a nonprofit organization whose mission is to raise and administer funds to support nonprofit organizations providing program services to youth and families. One member of the Eckerd Connects' Board of Directors also serves on the NFY Board of Directors and the CFO of Eckerd Connects reviews quarterly investment statements and provides input as needed. Accordingly, NFY is considered a related party of Eckerd Connects. For the year ended June 30, 2020, NFY provided total support to Eckerd Connects in the amount of \$2,419,759 and contributions receivable at June 30, 2020 totaled \$761,760 which is expected to be collected in fiscal 2021. For the year ended June 30, 2019, NFY provided total support to Eckerd Connects in the amount of \$2,573,977 and contributions receivable at June 30, 2019 totaled \$989,075 which was collected in fiscal 2020.

(4) Investments

Investments are recorded at fair value and consist of the following at June 30, 2020 and 2019:

	2020		2019	
	Cost	Market	Cost	Market
Money market funds	\$ 2,252,967	2,252,967	519,641	519,641
U.S. government and agency obligations	1,407,530	1,472,731	1,311,492	1,339,004
Corporate bonds	805,409	872,315	431,567	435,962
Common stock - domestic	3,005,866	3,996,234	2,434,661	3,247,077
Common stock - international	209,252	231,376	201,461	225,343
	<u>\$ 7,681,024</u>	<u>8,825,623</u>	<u>4,898,822</u>	<u>5,767,027</u>

The Organization's investments in equity securities and corporate bonds are not concentrated in a single entity or a few entities nor are there any specific industry concentrations. The Board of Directors has designated interest and dividends, net of fees, for support of current operations. The remainder of investment return is retained to support future operations and to offset potential market declines.

ECKERD CONNECTS**Notes to Combined Financial Statements - Continued****(4) Investments - Continued**

The following schedule summarizes investment return for the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Interest and dividend income - investments	\$ 238,222	133,116
Investment fees	(50,166)	(46,158)
Net realized and unrealized gains	<u>321,699</u>	<u>445,389</u>
	<u>\$ 509,755</u>	<u>532,347</u>

(5) Note Receivable

The Organization is holding one mortgage note receivable from the sale of property in 2010 from a commercial business. The note bears interest at 5.5% and interest only payments were due monthly through May 2018 with a final payment of outstanding interest and principal due in June 2018. The borrower requested an extension on the final payment and Eckerd Connects negotiated new payment terms subsequent to June 30, 2018. The due date of the note was extended to June 17, 2019 and Eckerd verbally exercised an option in 2019 to extend the due date again to June 17, 2020. The note is collateralized by a mortgage on the underlying property and an allowance is not deemed necessary at June 30, 2020 based on the estimated fair value of the collateral. The balance of the note at June 30, 2020 and 2019 was \$1,162,816 and is classified as a non-current asset in the accompanying combined statement of financial position since the borrower was in default and the underlying collateral, if called, would be classified as a non-current asset. Interest income for the years ended June 30, 2020 and June 30, 2019 was \$0 and \$63,258, respectively. Subsequent to June 30, 2020, Eckerd Connects filed a foreclosure action against the borrower and expects to reach a settlement agreement with the borrower whereby title to the property will be deeded to Eckerd Connects on or before January 31, 2021.

(6) Property and Equipment

Property and equipment at June 30, 2020 and 2019 is summarized as follows:

	<u>Estimated Life</u>	<u>2020</u>	<u>2019</u>
Land		\$ 1,362,922	1,362,922
Building and improvements	10 - 34 years	13,157,924	12,846,354
Furniture and equipment	3 - 10 years	4,847,239	4,252,548
Transportation equipment	4 - 5 years	1,686,854	1,488,221
Construction in progress		<u>287,634</u>	<u>438,294</u>
Total		21,342,573	20,388,339
Less accumulated depreciation		<u>(15,523,528)</u>	<u>(14,105,639)</u>
Net property and equipment		<u>\$ 5,819,045</u>	<u>6,282,700</u>

Depreciation expense for the years ended June 30, 2020 and 2019 was \$1,225,255 and \$1,328,116, respectively.

ECKERD CONNECTS

Notes to Combined Financial Statements - Continued

(7) **Beneficial Interest in Perpetual Trusts Held by Third Party**

The Organization is an income beneficiary of two perpetual trusts which are measured based on the fair value of the assets held in each trust. The change in the fair value of the trust assets is reported as a change in net assets with donor restrictions. Distributions of income are paid quarterly and are reported as a change in net assets without donor restrictions since earnings on each trust are not restricted by the donor. The value of the Organization's interest in the perpetual trusts at June 30, 2020 and 2019 was \$26,486,630 and \$27,165,332, respectively.

(8) **Fair Value Measurement**

In accordance with FASB ASC Topic 820, *Fair Value Measurement*, financial instruments measured at fair value are classified and disclosed within a fair value hierarchy that prioritizes the inputs to valuation techniques into the following three categories:

Level 1: Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 are money market funds, common stock, corporate and government bonds.

Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3: Valuation is based on unobservable inputs. The beneficial interest in perpetual trusts is based on the Organization's allocable share of the fair value of the underlying assets held in the trust.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodology used for the year ended June 30, 2020.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The carrying amount reported in the combined financial statements for cash and cash equivalents, accounts receivable and accounts payable approximates fair value because of the immediate or short-term maturities of these financial instruments.

ECKERD CONNECTS

Notes to Combined Financial Statements - Continued

(8) Fair Value Measurement - Continued

Fair value of assets and liabilities measured on a recurring basis at June 30, 2020 and 2019 was as follows:

	Total Fair Value	Fair Value Measurements at Reporting Date Using		
		Level 1	Level 2	Level 3
As of June 30, 2020:				
Assets:				
Money market funds	\$ 2,252,967	2,252,967	-	-
Equities:				
Large cap growth	2,386,439	2,386,439	-	-
Large cap value	690,364	690,364	-	-
Small/mid cap growth	331,456	331,456	-	-
Small/mid cap value	271,146	271,146	-	-
International	548,205	548,205	-	-
Fixed income:				
Long-term	602,838	602,838	-	-
Intermediate	667,098	667,098	-	-
Short-term	1,075,110	1,075,110	-	-
Total investments	8,825,623	8,825,623	-	-
Beneficial interest in perpetual trust	26,486,630	-	-	26,486,630
	<u>\$ 35,312,253</u>	<u>8,825,623</u>	<u>-</u>	<u>26,486,630</u>
Liabilities:				
Obligation under earnout provision	\$ 5,375,000	-	-	5,375,000
As of June 30, 2019:				
Assets:				
Money market funds	\$ 519,641	519,641	-	-
Equities:				
Large cap growth	1,468,558	1,468,558	-	-
Large cap value	1,005,038	1,005,038	-	-
Small/mid cap growth	280,055	280,055	-	-
Small/mid cap value	249,537	249,537	-	-
International	457,470	457,470	-	-
Blended funds	11,762	11,762	-	-
Fixed income:				
Long-term	308,337	308,337	-	-
Intermediate	501,044	501,044	-	-
Short-term	965,585	965,585	-	-
Total investments	5,767,027	5,767,027	-	-
Beneficial interest in perpetual trust	27,165,332	-	-	27,165,332
	<u>\$ 32,932,359</u>	<u>5,767,027</u>	<u>-</u>	<u>27,165,332</u>

ECKERD CONNECTS

Notes to Combined Financial Statements - Continued

(8) Fair Value Measurement - Continued

The following provides further details of the Level 3 fair value measurement related to the Organization's beneficial interest in perpetual trusts as of and for the years ended June 30, 2020 and 2019:

	2020	2019
Beginning balance	\$ 27,165,332	25,235,416
Change in value of beneficial interest in perpetual trusts	(678,702)	1,929,916
Ending balance	\$ 26,486,630	27,165,332

The other Level 3 fair value measurement is for the obligation under the earnout provision associated with the Odle acquisition and is based on a fair value estimate of the likely contingent consideration that will be paid over the earnout period as more fully described in Note 18.

(9) Short-Term Note Payable and Revolving Lines of Credit

During fiscal 2018, Eckerd Connects entered into a short-term borrowing arrangement with the brokerage institution holding its investments. The arrangement allows Eckerd Connects to borrow funds using its investments as collateral. Interest is payable monthly at LIBOR plus the brokerage's spread (2.41% at June 30, 2020). There was no outstanding balance at June 30, 2020 and 2019. The amount which can be borrowed under the short-term borrowing arrangement was \$ 2,765,423 and \$2,530,037 as of June 30, 2020 and 2019, respectively.

During fiscal 2019, Eckerd Connects obtained a revolving line of credit with Bank of America which allowed the Organization to borrow up to \$5 million, through March 2020. The line was secured by equipment, inventory and accounts receivable owned by Eckerd Connects. Interest was payable monthly at LIBOR Daily Floating Rate plus 1.75% (4.27% at June 30, 2019). The outstanding balance on the loan at June 30, 2019 was \$1,650,000. The loan matured in March 2020 and was not renewed.

During fiscal 2020, Eckerd Connects obtained a new revolving line of credit with Bank of Tampa which allows Eckerd Connects to borrow up to \$5 million, is due on demand, and bears interest at the greater of LIBOR plus 1.35% (1.51% at June 30, 2020) or 2.25%. The loan is secured by substantially all assets of Eckerd Connects. The loan agreement includes certain non-financial and financial covenants and Eckerd Connects was in compliance with these covenants as of June 30, 2020. There was no outstanding balance on the line of credit as of June 30, 2020.

Odle also has a revolving line of credit for \$5 million with BBVA USA Bank which matures July 3, 2021. The Odle line bears interest at LIBOR plus 1.5% (1.676% at June 30, 2020). There was no outstanding balance on the Odle line at June 30, 2020. The Odle line is collateralized by substantially all of Odle's business assets and has been guaranteed by Eckerd Connects.

Eckerd Connects has two outstanding letters of credit which totaled \$734,577 and \$969,963 as of June 30, 2020 and 2019, respectively, which are also collateralized by investments held by the brokerage institution. The beneficiaries under the letters of credit are the workers' compensation carriers as more fully described in Note 15.

ECKERD CONNECTS

Notes to Combined Financial Statements - Continued

(10) Leases

The Organization leases the majority of its facilities and equipment under operating lease agreements which expire at various dates through 2025. Security deposits related to such leases are included in other assets. Rent expense for the years ended June 30, 2020 and 2019 was approximately \$3,939,000 and \$3,858,000, respectively. The majority of the Organization's operating leases for property include 30-day or 120-day cancellation provisions in the event the Organization loses its funding.

The Organization is also obligated under several capital leases for vehicles and these leases expire over various dates through 2025. Amortization of assets held under capital leases is included in depreciation expense. The gross amount of vehicle equipment and related accumulated amortization recorded under the capital leases as of June 30, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Equipment	\$ 1,123,471	897,946
Less accumulated amortization	<u>(802,082)</u>	<u>(631,816)</u>
	<u>\$ 321,389</u>	<u>266,130</u>

Future minimum lease payments required under operating leases with initial or remaining lease terms in excess of one year (including cancellable leases) and the present value of minimum capital lease payments as of June 30, 2020 are as follows:-

<u>Year Ending June 30,</u>	<u>Capital Leases</u>	<u>Operating Leases</u>	<u>Total</u>
2021	\$ 190,128	3,562,358	3,752,486
2022	106,074	3,130,848	3,236,922
2023	80,728	2,675,137	2,755,865
2024	63,794	2,037,895	2,101,689
2025	<u>9,314</u>	<u>1,058,796</u>	<u>1,068,110</u>
Total minimum lease payments	450,038	<u>12,465,034</u>	<u>12,915,072</u>
Less amount representing interest	<u>(28,648)</u>		
Present value of lease payments	421,390		
Current portion of capital lease obligations	<u>177,793</u>		
Capital lease obligations, less current portion	<u>\$ 243,597</u>		

ECKERD CONNECTS**Notes to Combined Financial Statements - Continued****(11) Long Term Debt**

Long term debt consists of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
3.24% promissory note payable to Bank of America in monthly installments of \$29,181, including interest, through May 2021; secured by interest in accounts receivable, inventory and equipment.	\$ -	647,783
3.50% promissory note payable to Bank of Tampa in monthly installments of \$100,955, including interest, through February 2027; secured by interest in real property.	<u>7,187,288</u>	<u>-</u>
Total long term debt	7,187,288	647,783
Less current installments	<u>975,630</u>	<u>334,113</u>
Long-term debt, excluding current installments	<u>\$ 6,211,658</u>	<u>313,670</u>

In connection with Eckerd Connects' acquisition of 100% of the membership interest in Odle effective February 29, 2020, Eckerd Connects borrowed \$7.5 million from a commercial bank. The loan is secured by substantially all assets of Eckerd Connects and a mortgage on Eckerd Connects' corporate office building. The loan agreement includes certain financial and non-financial covenants and the Organization was in compliance with these covenants at June 30, 2020.

The aggregate maturities of long-term debt for each of the five years subsequent to June 30, 2020, and thereafter, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 975,630
2022	1,010,330
2023	1,046,265
2024	1,083,477
2025	1,122,013
Thereafter	<u>1,949,573</u>
	<u>\$ 7,187,288</u>

ECKERD CONNECTS**Notes to Combined Financial Statements - Continued****(12) Net Assets With Donor Restrictions**

Net assets with donor restrictions as of June 30, 2020 and 2019 relate to assets contributed by donors and other funding sources for specific purposes and time periods as follows:

	<u>2020</u>	<u>2019</u>
Subject to use restrictions:		
Adoption and foster care	\$ 90,068	57,377
Employee wellness	8,377	33,896
Program operations	1,106,659	756,357
Success awards - scholarships	459,811	124,771
	<u>1,664,915</u>	<u>972,401</u>
Beneficial interest in perpetual trusts held by third parties:		
National Foundation for Youth	23,039,319	23,771,110
Richard J. Ross Trust	3,447,311	3,394,222
	<u>26,486,630</u>	<u>27,165,332</u>
	<u>\$ 28,151,545</u>	<u>28,137,733</u>

(13) Endowment Funds

Eckerd Connects' internally-controlled endowment net assets are comprised of investments held in a Board-designated endowment fund. Eckerd Connects' externally-controlled endowment net assets consist of its beneficial interest in two perpetual trusts administered by independent trustees.

Interpretation of Relevant Law

The Board of Directors has interpreted the wishes of donors and state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Eckerd Connects classifies net assets restricted by the donor in perpetuity as (a) the original value of gifts donated to the endowment; (b) the original value of subsequent gifts to the endowment; and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

ECKERD CONNECTS

Notes to Combined Financial Statements - Continued

(13) Endowment Funds - Continued*Investment Return Objectives, Risk Parameters and Strategies*

Eckerd Connects has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also preserving the purchasing power of those endowments over the long-term. The policies stipulate that the endowments should be managed as a long-term goal designed to maximize the returns without exposure to undue risk. Whereas it is understood that fluctuating rates of return are characteristic of the securities markets, the greatest concern should be long-term appreciation of the assets and consistency of total portfolio returns. Recognizing that short-term market fluctuations may cause variations in account performance, the Organization will pursue a strategy seeking to exceed a benchmark return of a target portfolio consisting of 40% fixed income securities and 60% equity securities for the Board-designated fund. In addition, Eckerd Connects may only invest in equity securities listed on an American stock exchange and fixed income securities shall be AA rated or better.

Endowment net asset composition by type of fund at June 30, 2020 and 2019 were as follows:

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total Endowment Net Assets</u>
June 30, 2020:			
Board-designated endowment	\$ 8,863,136	-	8,863,136
Beneficial interest in perpetual trusts	-	26,486,630	26,486,630
	<u>\$ 8,863,136</u>	<u>26,486,630</u>	<u>35,349,766</u>
June 30, 2019:			
Board-designated endowment	\$ 5,804,955	-	5,804,955
Beneficial interest in perpetual trusts	-	27,165,332	27,165,332
	<u>\$ 5,804,955</u>	<u>27,165,332</u>	<u>32,970,287</u>

ECKERD CONNECTS

Notes to Combined Financial Statements - Continued

(13) Endowments - Continued

Changes in endowment net assets for the years ended June 30, 2020 and 2019 were as follows:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Endowment Net Assets
Balances at June 30, 2018	\$ 5,275,015	25,235,416	30,510,431
Net investment income	86,958	-	86,958
Net appreciation	445,389	-	445,389
Withdrawals	(2,407)	-	(2,407)
Change in value of beneficial interest in perpetual trusts	-	1,929,916	1,929,916
Balances at June 30, 2019	5,804,955	27,165,332	32,970,287
Net investment income	188,056	-	188,056
Net appreciation	321,699	-	321,699
Deposits	3,453,841	-	3,453,841
Withdrawals	(905,415)	-	(905,415)
Change in value of beneficial interest in perpetual trusts	-	(678,702)	(678,702)
Balances at June 30, 2020	\$ 8,863,136	26,486,630	35,349,766

(14) Employee Benefit Plans

Flexible spending plan: Effective January 1, 1993, Eckerd Connects amended and restated its flexible spending plan which qualified as a cafeteria plan under Section 125 of the Internal Revenue Code. This plan is comprised of four different plans: the Eckerd Youth Alternatives, Inc. Flexible Spending Plan; the Eckerd Youth Alternatives, Inc. Health Care Reimbursement Plan; the Eckerd Youth Alternatives, Inc. Dependent Care Assistance Plan; and the Eckerd Youth Alternatives, Inc. Cafeteria Plan. This flexible spending plan is an unfunded plan, and as such, Eckerd Connects has no responsibility for the payment of such benefits.

Defined contribution benefit plan: On July 1, 1993, and most recently restated July 2019, Eckerd Connects adopted a defined contribution pension plan covering substantially all full-time employees. For fiscal 2019, employer contributions were made at the rate of 2% of eligible employees' compensation plus a 50% match on the employee's contribution up to 6% for a maximum match amount of 3%. Effective July 1, 2019, the fixed rate employer contribution of 2% of eligible employees' compensation was eliminated and the 50% match on the employee's contribution was increased to up to 10% for a maximum match amount of 5%. The employer contributions for 2020 and 2019 totaled \$836,900 and \$1,197,800, respectively.

ECKERD CONNECTS**Notes to Combined Financial Statements - Continued****(14) Employee Benefit Plans - Continued**

Deferred compensation plan: Effective July 1, 2009, Eckerd Connects established a supplemental executive retirement plan (“SERP”) to retain and reward selected executives of the Organization and to provide such executives with supplemental benefits. The plan is an unfunded plan established and maintained for the primary purpose of providing deferred compensation benefits for employees who substantially contribute to the success of the Organization. The plan is a nonqualified deferred compensation plan that is intended to comply with Sections 457(f) and 409A of the Internal Revenue Code. Total retirement plan expense recognized under the SERP for the years ended June 30, 2020 and 2019 was \$49,697 and \$47,502, respectively. The liability under the SERP as of June 30, 2020 was \$49,697. The liability under the SERP as of June 30, 2019 was \$169,640, of which all was paid to an executive in fiscal 2020.

(15) Contingencies Under Insurance and State Unemployment Programs

Eckerd Connects has purchased insurance for major areas of exposure. The following is a summary of those policies with large deductible limits:

Health Insurance: Effective January 1, 2018, the Organization adopted a health insurance wellness plan with a different insurer (the “Health Plan”) which also provides medical and drug benefits to its employees. Under the Health Plan, the Organization is responsible for the first \$175,000 of individual covered claims, subject to a maximum annual aggregate stop loss limit. Health insurance expense is based upon premiums paid to each insurer, estimated total cost of claims to be paid by the Organization that fall within the deductible limits described above, and the administrative costs of the plan. The Organization outsources administration of claims to a third party administrator (“TPA”). The TPA provides management with estimates of claims incurred, including incurred but unreported claims, and the future development of covered claims using an actuarially-determined reserve methodology based on current and historical claims development trends. As of June 30, 2020 and 2019, accrued estimated health insurance expense was approximately \$1,315,000 and \$727,000, respectively. For the years ended June 30, 2020 and 2019, estimated health insurance expense was \$8,708,854 and \$7,841,302, respectively. Actual claims expense may differ from these estimates.

Effective January 1, 2020, Eckerd Connects invested in an offshore captive insurance company, ARU SPC, Ltd. on behalf of Pioneer Segregated Portfolio (the “Captive”) based in the Cayman Islands. Eckerd Connects paid \$1 for one Segregated Portfolio Share of stock in the Captive. As an owner of the Captive, Eckerd Connects is insured under a health care stop loss program where the Captive reinsures health care claims from an A+ Best’s Rated insurance carrier above \$150,000 up to \$500,000 subject to a 125% annual aggregate. Claims in excess of \$500,000 are fully insured by the same A+ Best’s Rated carrier on an unlimited basis. Eckerd Connects remits premium payments to the insurance company and the insurer remits premiums to the Captive for its participation under the policy. All claims payments are made using a third-party administrator. The Captive provides management with estimates of health care claims, including claims incurred but unreported and future development of covered claims using an actuarially determined reserve methodology based on current and historical claims experience.

ECKERD CONNECTS**Notes to Combined Financial Statements - Continued****(15) Contingencies Under Insurance and State Unemployment Programs - Continued**

Workers compensation: Effective July 1, 2017, Eckerd Connects invested in an offshore captive insurance company, Evolution Insurance Company Ltd. (the “Captive”) based in the Cayman Islands. Eckerd Connects paid \$36,000 for one share of common stock and one share of preferred stock in the Captive. As an owner of the Captive, Eckerd Connects is insured under a workers’ compensation program where the Captive reinsures workers’ compensation claims up to \$400,000 subject to a \$1.4 million annual aggregate. Claims in excess of \$400,000 are covered under two separate policies with an unrelated insurance carrier. Eckerd Connects remits premium payments to the Captive and the Captive remits premiums to the unrelated insurer and processes all claims payments using a third party administrator. The Captive provides management with estimates of total incurred workers’ compensation claims, including claims incurred but unreported and future development of covered claims using an actuarially-determined reserve methodology based on current and historical claims experience. At June 30, 2019, a letter of credit in the amount of \$537,963 has been issued to the Captive’s creditor as collateral for the payment of future claims. Effective April 2020, the letter of credit was increased to \$584,577. The letter of credit is secured by investment securities as described in Note 9.

In fiscal 2017, Eckerd Connects obtained workers’ compensation insurance under two policies with an unrelated insurance company. Under the terms of those policies, Eckerd Connects was responsible for the first \$350,000 of individual workers’ compensation claims. At June 30, 2020 and 2019, the estimated accrued workers’ compensation claims due under those 2017 policies was approximately \$116,000 and \$96,000, respectively. At June 30, 2019, a letter of credit has been issued for the benefit of this insurance carrier in the amount of \$432,000 as collateral for payment of future claims. Effective April 2020, the letter of credit was decreased to \$150,000. This letter of credit is secured by investment securities as described in Note 9. Actual costs to settle all claims under the 2020 and 2019 workers’ compensation programs may differ from these estimates.

Total workers’ compensation expense for the years ended June 30, 2020 and 2019 was \$621,076 and \$610,553, respectively.

Unemployment claims: Eckerd Connects contracted with an outside insurer for the administration of unemployment claims. Under the terms of the agreement, Eckerd Connects remits deposits to the insurer and is eligible for refunds based on actual claims experience. Additional premiums will be invoiced for changes in actual wages. Claims expense is capped based on a factor applied to actual wages. For the years ended June 30, 2020 and 2019, Eckerd Connects paid the insurer approximately \$266,000 and \$234,000 in claims deposits, respectively, and anticipates a nominal adjustment once actual wages have been audited and actual claims experience is determined. During fiscal 2020 and 2019, Eckerd Connects paid approximately \$0 and \$32,000, respectively, for prior premium adjustments due to increasing wages during fiscal 2019 and 2018. While actual claims expense may differ from these estimates, management does not believe any material liability exists with respect to this program.

ECKERD CONNECTS**Notes to Combined Financial Statements - Continued****(16) Other Contingencies**

Eckerd Connects routinely enters into grant agreements and contracts with governmental agencies that provide for reimbursement of direct and indirect costs of providing program services. The grants and contracts are subject to audit or review and retroactive adjustment based on a final determination by the grantor of eligible reimbursable expenditures. The effect of such adjustments, if any, on the Organization's combined financial statements cannot be determined at this time and no provision has been made for any such adjustment in the accompanying combined financial statements.

Eckerd Connects is occasionally involved in litigation arising in the normal course of its operations. The outcome of current litigation cannot be determined at the report date. Management believes any potential loss under these claims would be expected to fall within the Organization's insurance policy limits. The only anticipated financial exposure would be payment of the insurance deductible, a nominal amount. In the opinion of management, no material liability exists with respect to these claims.

Eckerd Connects has a land lease agreement for property which is currently subleased to a third party. Under the terms of the land lease agreement, upon termination of the lease, Eckerd Connects would be required to restore the property to its original forested status.

(17) Credit Policy and Concentration of Credit Risk

Eckerd Connects provides educational, rehabilitation, and therapeutic programs for adolescents, adults and families through facilities in several states. Funding is generally provided from federal, state and local government sources. Accounts receivable primarily represent uncollected billings under these contracts. As of June 30, 2020 and 2019, no reserve for uncollectible accounts were considered necessary.

Eckerd Connects maintains its cash balances at various times during the year in excess of Federal Deposit Insurance Corporation ("FDIC") limits. At June 30, 2020, cash balances held by Eckerd Connects and its affiliates exceeded FDIC limits by approximately \$12.9 million.

(18) Related Party Transactions

Eckerd Connects received contributions totaling \$576,243 and \$54,985 from Board members during the years ended June 30, 2020 and 2019, respectively.

(19) Acquisition of Odle Management Group, LLC

Effective February 29, 2020, Eckerd Youth Alternatives, Inc. purchased 100% of the membership interest in Odle Management Group, LLC for \$13,322,124. The operating results of Odle from March 1, 2020 through June 30, 2020 are included in the combined statement of activities for the year ended June 30, 2020. Eckerd Connects paid cash consideration of \$7,500,000, incurred contingent liabilities for \$5,375,000 and recognized a current liability for the working capital true up payment of \$218,176 remitted in July 2020.

ECKERD CONNECTS**Notes to Combined Financial Statements - Continued****(19) Acquisition of Odle Management Group, LLC - Continued**

The aggregate consideration for the Odle acquisition was allocated to the fair value of assets acquired and liabilities assumed as follows:

Cash and cash equivalents	\$	317,708
Accounts receivable		9,132,811
Inventory		145,855
Prepaid expenses		408,102
Furniture and equipment		98,485
Deposits		138,596
Non-competition agreement		666,000
Customer contracts		4,211,000
Proprietary software		56,000
Tradename		740,000
Goodwill		1,950,964
Accounts payable		(2,527,207)
Accrued expenses		(2,016,190)
	\$	<u>13,322,124</u>

Included within the consideration paid for Odle are future payments that are contingent upon the acquired business renewing six key funding contracts subsequent to the acquisition date along with additional consideration contingent upon the acquisition of new funding contracts. The minimum and maximum amount of consideration that could be paid under the contingent earnout liabilities incurred as part of the Odle acquisition are \$0 and \$7.2 million plus 5-7% of any new contracts. The Organization's expected range of outcomes include the potential for no future amounts to be payable under the contingent agreement or the maximum future amounts to be payable under the contingent agreement. The estimates used in determining the fair value of contingent earnout liabilities are classified within Level 3 of the fair value hierarchy presented in Note 8. Professional fees incurred in connection with the acquisition totaled approximately \$183,000 in fiscal 2020.

(20) Risks and Uncertainties

The novel coronavirus ("COVID-19") spread rapidly across the world in the first quarter of 2020 and was declared a pandemic by the World Health Organization in March 2020. The government and private sector responses to contain its spread began to adversely affect the broader economy and business in general in March 2020 and those impacts will likely affect operations through the remainder of 2020, although such effects may vary significantly. The duration and extent of the pandemic and its effects over longer terms cannot be reasonably estimated as of the date the combined financial statements were available for issuance. The risks and uncertainties resulting from the pandemic that may affect the results of operating activities, cash flows and financial condition include the nature and duration of the curtailment of various program activities and the long-term effect on governmental support and contributions.

ECKERD CONNECTS

Notes to Combined Financial Statements - Continued

(20) Risks and Uncertainties - Continued

The pandemic has adversely affected global economic activity and greatly contributed to significant deterioration and instability in financial markets. As a result, there has been heightened market risk and the Organization's investment portfolio has incurred significant volatility in fair value since March 2020. Because the values of the Organization's individual investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in future periods, if any, and the related impact on the Organization's liquidity cannot be determined at this time.

(21) Liquidity and Availability of Resources

Eckerd Connects is supported by contributions with and without donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments. The Organization has various sources of liquidity at its disposal including cash and a short-term borrowing arrangement and revolving line of credit (described in Note 9).

As of June 30, 2020 and 2019, the Organization's financial assets available to meet general expenditures within one year were as follows:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash, cash equivalents and restricted cash	\$ 11,858,034	11,419,719
Accounts receivable	28,489,511	20,084,844
Contributions receivable	766,760	1,343,203
Investments	8,825,623	5,767,027
Note receivable	1,162,816	1,162,816
Beneficial interest in perpetual trusts	<u>26,486,630</u>	<u>27,165,332</u>
Total financial assets	77,589,374	66,942,941
Less amounts unavailable for general expenditure within one year due to:		
Contractual or donor-imposed restrictions:		
Long-term note receivable	(1,162,816)	(1,162,816)
Cash for the benefit of Eckerd Connects' clients	(1,393,695)	(1,366,846)
Donor restricted for specific purposes	(1,664,915)	(972,401)
Beneficial interest in perpetual trusts	(26,486,630)	(27,165,332)
Board-designations:		
Quasi-endowment	<u>(8,863,136)</u>	<u>(5,804,955)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 38,018,182</u>	<u>30,470,591</u>

SUPPLEMENTARY FINANCIAL INFORMATION

ECKERD CONNECTS

Combining Statement of Financial Position

June 30, 2020

	Eckerd Connects	Paxen, LLC	Odle Management Group, LLC	Eliminations	Consolidated Total	Caring for Children, Inc.	Eliminations	Combined Total
Assets								
Current assets:								
Cash and cash equivalents	\$ 8,074,670	204,358	1,291,032	-	9,570,060	894,279	-	10,464,339
Restricted cash	1,393,695	-	-	-	1,393,695	-	-	1,393,695
Accounts receivable	19,274,967	524,613	8,349,585	-	28,149,165	340,346	-	28,489,511
Intercompany receivable	(1,799,220)	1,916,284	-	-	117,064	(117,064)	-	-
Contributions receivable	766,760	-	-	-	766,760	-	-	766,760
Other current assets	896,120	17,093	759,232	-	1,672,445	2,934	-	1,675,379
Total current assets	28,606,992	2,662,348	10,399,849	-	41,669,189	1,120,495	-	42,789,684
Investments	8,825,623	-	-	-	8,825,623	-	-	8,825,623
Investments in subsidiaries	10,527,651	-	-	10,527,651	-	-	-	-
Note receivable	1,162,816	-	-	-	1,162,816	-	-	1,162,816
Other assets	522,107	13,935	137,296	-	673,338	41,017	-	714,355
Property and equipment, net	5,805,480	-	5,773	-	5,811,253	7,792	-	5,819,045
Goodwill	1,950,964	909,293	-	-	2,860,257	-	-	2,860,257
Other intangible assets	7,853,435	-	-	-	7,853,435	-	-	7,853,435
Beneficial interest in perpetual trusts	26,486,630	-	-	-	26,486,630	-	-	26,486,630
Total assets	\$ 91,741,698	3,585,576	10,542,918	10,527,651	95,342,541	1,169,304	-	96,511,845
Liabilities and Net Assets								
Current liabilities:								
Current installments of capital lease obligations	\$ 177,793	-	-	-	177,793	-	-	177,793
Current installments of long-term debt	975,630	-	-	-	975,630	-	-	975,630
Accounts payable and accrued expenses	17,432,146	41,677	3,559,166	-	21,032,989	62,376	-	21,095,365
Accrued pension expenses	805,245	-	-	-	805,245	-	-	805,245
Deferred revenue	412,790	-	-	-	412,790	-	-	412,790
Current installments under earnout liability	2,968,661	-	-	-	2,968,661	-	-	2,968,661
Total current liabilities	22,772,265	41,677	3,559,166	-	26,373,108	62,376	-	26,435,484
Capital lease obligations, less current portion	243,597	-	-	-	243,597	-	-	243,597
Long-term debt, excluding current installments	6,211,658	-	-	-	6,211,658	-	-	6,211,658
Obligation under earnout provision, less current portion	2,406,339	-	-	-	2,406,339	-	-	2,406,339
Total liabilities	31,633,859	41,677	3,559,166	-	35,234,702	62,376	-	35,297,078
Net assets:								
Without donor restrictions:								
Undesignated	23,130,671	3,543,899	6,983,752	10,527,651	23,130,671	1,069,415	-	24,200,086
Designated for long-term purposes	8,825,623	-	-	-	8,825,623	37,513	-	8,863,136
With donor restrictions	28,151,545	-	-	-	28,151,545	-	-	28,151,545
Total net assets	60,107,839	3,543,899	6,983,752	10,527,651	60,107,839	1,106,928	-	61,214,767
Total liabilities and net assets	\$ 91,741,698	3,585,576	10,542,918	10,527,651	95,342,541	1,169,304	-	96,511,845

See accompanying independent auditor's report.

ECKERD CONNECTS
Combining Statement of Activities
Year Ended June 30, 2020

	Eckerd Connects	Paxen, LLC	Odle Management Group, LLC	Eliminations	Consolidated Total	Caring for Children, Inc.	Eliminations	Combined Total
Net assets without donor restrictions:								
Operating support and revenue:								
Program revenues:								
Funding contracts	\$ 245,933,798	3,669,729	30,011,974	247,499	279,368,002	1,599,111	-	280,967,113
Medicaid and third party insurance	449,939	-	-	-	449,939	681,254	-	1,131,193
Contributions	3,471,918	-	-	-	3,471,918	241	-	3,472,159
Interest and dividends, net of fees	188,056	-	-	-	188,056	-	-	188,056
Other revenue	312,038	2,571	-	-	314,609	14,825	-	329,434
Net assets released from restriction	19,183	-	-	-	19,183	38,103	-	57,286
	<u>250,374,932</u>	<u>3,672,300</u>	<u>30,011,974</u>	<u>247,499</u>	<u>283,811,707</u>	<u>2,333,534</u>	<u>-</u>	<u>286,145,241</u>
Operating expenses	<u>250,525,509</u>	<u>3,934,503</u>	<u>28,441,234</u>	<u>247,499</u>	<u>282,653,747</u>	<u>2,458,527</u>	<u>-</u>	<u>285,112,274</u>
Change in net assets without donor restrictions from operations	(150,577)	(262,203)	1,570,740	-	1,157,960	(124,993)	-	1,032,967
Other changes in net assets without donor restrictions:								
Unrealized and realized gains on investments	321,699	-	-	-	321,699	-	-	321,699
Equity in earnings of subsidiaries	1,368,612	-	-	1,368,612	-	-	-	-
Gain on sale of property and equipment	10,109	53,960	3,800	-	67,869	-	-	67,869
Change in net assets without donor restrictions	<u>1,549,843</u>	<u>(208,243)</u>	<u>1,574,540</u>	<u>1,368,612</u>	<u>1,547,528</u>	<u>(124,993)</u>	<u>-</u>	<u>1,422,535</u>
Net assets with donor restrictions:								
Grants and contributions	639,895	2,315	-	-	642,210	107,590	-	749,800
Net assets released from restriction	(19,183)	-	-	-	(19,183)	(38,103)	-	(57,286)
Change in value of beneficial interest in perpetual trusts	<u>(678,702)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(678,702)</u>	<u>-</u>	<u>-</u>	<u>(678,702)</u>
Change in net assets with donor restrictions	<u>(57,990)</u>	<u>2,315</u>	<u>-</u>	<u>-</u>	<u>(55,675)</u>	<u>69,487</u>	<u>-</u>	<u>13,812</u>
Change in net assets	<u>\$ 1,491,853</u>	<u>(205,928)</u>	<u>1,574,540</u>	<u>1,368,612</u>	<u>1,491,853</u>	<u>(55,506)</u>	<u>-</u>	<u>1,436,347</u>

See accompanying independent auditor's report.

ECKERD CONNECTS

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2020

Federal/State Agency/ Pass-through Entity/ Federal Program/State Project	CFDA/ CSFA Number	Contract/ Grant Number	Expenditures	Transfers to Subrecipients
Eckerd Connects:				
<i>U.S. Department of Agriculture:</i>				
<i>Child Nutrition Cluster:</i>				
National School Breakfast Program:	10.553			
Passed through from the State of Florida Department of Education		01-0112	\$ 20,928	-
Passed through from the State of North Carolina Department of Public Instruction, Division of Child Nutrition		1142	58,131	-
Total National School Breakfast Program			79,059	-
National School Lunch Program:	10.555			
Passed through from the State of Florida Department of Education		01-0112	39,216	-
Passed through from the State of North Carolina Department of Public Instruction, Division of Child Nutrition		1142	108,789	-
Total National School Lunch Program			148,005	-
Total Child Nutrition Cluster			227,064	-
Emergency Food Assistance Program (Food Commodities):	10.569			
Passed through from the State of Florida Department of Agriculture and Consumer Services		01-0112	1,312	-
Passed through from the State of North Carolina Department of Public Instruction, Division of Child Nutrition		1142	7,569	-
Total Emergency Food Assistance Program (Food Commodities)			8,881	-
Total U.S. Department of Agriculture			235,945	-
<i>U.S. Department of Education:</i>				
E-Rate:	84.000			
Passed through from the Universal Service Administrative Company			52,881	-
Total E-Rate			52,881	-
Special Education Grants to States:	84.027			
Passed through from the State of North Carolina Department of Public Safety		DPS-22415849-WCC	4,107	-
Total Special Education Grants to States			4,107	-
Total U.S. Department of Education			56,988	-
<i>U.S. Department of Health and Human Services:</i>				
Promoting Safe and Stable Families:	93.556			
Passed through from the Brevard County Partnership		SVP1501	36,000	-
Passed through from the State of North Carolina Department of Health and Human Services		38633	199,598	-
Passed through from the State of Florida Department of Children and Families		QJ3E0	2,071,213	2,037,830
Passed through from the State of Florida Department of Children and Families		QJ511	1,686,649	1,367,201
Total Promoting Safe and Stable Families			3,993,460	3,405,031
<i>TANF Cluster:</i>				
Temporary Assistance for Needy Families:	93.558			
Passed through from the Delaware County Workforce Development Board		ECK-026-19YT	35,499	-
Passed through from the Delaware County Workforce Development Board		ECK-028-19YT	56,342	-
Passed through from Philadelphia Works		PW20-054	69,218	-
Passed through from Philadelphia Works		YT-20-038	381,739	-
Passed through State of Ohio Franklin County Department of Job and Family Services		25-19-3279	155,818	-
Passed through State of Ohio Franklin County Department of Job and Family Services		25-20-3343	186,987	-
Passed through State of Ohio Franklin County Department of Job and Family Services		25-19-3279	455,368	-
Passed through from CareerSource Flager Volusia		PY 2019-20 VOL	350,775	-
Passed through State of California, County of San Luis Obispo		C009 - 2019	371,988	-
Passed through from the State of Florida Department of Children and Families		QJ3E0	6,696,119	3,925,485
Passed through from the State of Florida Department of Children and Families		QJ511	7,307,406	3,517,622
Total Temporary Assistance for Needy Families and TANF Cluster			16,067,259	7,443,107

(Continued)

ECKERD CONNECTS

Schedule of Expenditures of Federal Awards and State Financial Assistance - Continued

Federal/State Agency/ Pass-through Entity/ Federal Program/State Project	CFDA/ CSFA Number	Contract/ Grant Number	Expenditures	Transfers to Subrecipients
Community-Based Child Abuse Prevention Grants:	93.590			
Passed through from the State of Florida Department of Children and Families		QJ66A	\$ 59,360	59,360
Passed through from the State of Florida Department of Children and Families		QJ66B	59,360	59,360
Total Community-Based Child Abuse Prevention Grants			118,720	118,720
Grants to States for Access and Visitation Programs:	93.597			
Passed through from the State of Florida Department of Children and Families		QJ511	31,746	31,746
Total Grants to States for Access and Visitation Programs			31,746	31,746
Chafee Education and Training Vouchers Program (ETV):	93.599			
Passed through from the State of Florida Department of Children and Families		QJ3E0	79,718	-
Passed through from the State of Florida Department of Children and Families		QJ511	129,676	-
Total Chafee Education and Training Vouchers Program (ETV)			209,394	-
Head Start:	93.600			
Direct federal award from the U.S. Department of Health and Human Services		04HP0000169-02	757,652	-
Direct federal award from the U.S. Department of Health and Human Services		04HP0000169-01	5,385,164	-
Direct federal award from the U.S. Department of Health and Human Services		04HP0000404-01	915,125	-
Direct federal award from the U.S. Department of Health and Human Services		04HP0025-04	67,399	-
Total Head Start			7,125,340	-
Stephanie Tubbs Jones Child Welfare Services Program:	93.645			
Passed through from the State of Florida Department of Children and Families		QJ3E0	1,450,178	1,027,989
Passed through from the State of Florida Department of Children and Families		QJ511	1,181,574	642,877
Total Stephanie Tubbs Jones Child Welfare Services Program			2,631,752	1,670,866
Foster Care Title IV-E:	93.658			
Passed through from the State of Florida Department of Children and Families		QJ3E0	14,352,598	9,081,285
Passed through from the State of Florida Department of Children and Families		QJ511	11,892,697	6,321,370
Total Foster Care Title IV-E			26,245,295	15,402,655
Adoption Assistance:	93.659			
Passed through from the State of Florida Department of Children and Families		QJ3E0	12,139,464	1,216,020
Passed through from the State of Florida Department of Children and Families		QJ511	12,135,104	736,029
Total Adoption Assistance			24,274,568	1,952,049
Social Services Block Grant:	93.667			
Passed through from the State of Florida Department of Children and Families		QJ3E0	3,073,890	1,205,496
Passed through from the State of Florida Department of Children and Families		QJ511	4,778,852	1,780,767
Total Social Services Block Grant			7,852,742	2,986,263
Child Abuse and Neglect State Grants:	93.669			
Passed through from the State of Florida Department of Children and Families		QJ3E0	62,021	35,806
Passed through from the State of Florida Department of Children and Families		QJ511	164,185	124,693
Passed through from the State of Florida Department of Children and Families		QJ003	107,564	103,557
Total Child Abuse and Neglect State Grants			333,770	264,056
John H. Chafee Foster Care Program for Successful Transition to Adulthood:	93.674			
Passed through from the State of Florida Department of Children and Families		QJ3E0	504,415	445,816
Passed through from the State of Florida Department of Children and Families		QJ511	427,679	373,840
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood			932,094	819,656

(Continued)

ECKERD CONNECTS

Schedule of Expenditures of Federal Awards and State Financial Assistance - Continued

Federal/State Agency/ Pass-through Entity/ Federal Program/State Project	CFDA/ CSFA Number	Contract/ Grant Number	Expenditures	Transfers to Subrecipients
<i>Medicaid Cluster:</i>				
Medical Assistance Program:	93.778			
Passed through from the State of Florida Department of Children and Families		QJ3E0	\$ 50,505	-
Passed through from the State of Florida Department of Children and Families		QJ511	76,893	-
Total Medical Assistance Program			127,398	-
Total Medicaid Cluster			127,398	-
State Targeted Response to the Opioid Crisis Grants:	93.788			
Passed through from Central Florida Cares Health System		EKM-21	285,626	-
Total State Targeted Response to the Opioid Crisis Grants			285,626	-
Block Grant for the Prevention and Treatment of Substance Abuse:	93.959			
Passed through from Central Florida Cares Health System		EKM-21	1,405,406	-
Passed through from Lutheran Services Florida, Inc.		LS027A 116	412,613	-
Total Block Grant for the Prevention and Treatment of Substance Abuse			1,818,019	-
Total U.S. Department of Health and Human Services			92,047,183	34,094,149
<i>U.S. Department of Labor:</i>				
<i>WIOA Cluster:</i>				
WIOA Adult Program:	17.258			
Passed through from Pee Dee Regional Council of Governments		9A50711	1,013,003	-
Passed through from Pee Dee Regional Council of Governments		9A50712 / 9D50712	53,736	-
Passed through from the Durham Workforce Development Board		n/a	401,284	-
Passed through the State of North Carolina City of Durham		NC 2018-20 REO	29,784	-
Passed through from Kansas Local Workforce Development Board		PY 2019-20 KS	91,613	-
Passed through from the Appalachian Council on Government		19A995E1/19D995E1	760,094	-
Passed through from the Berkeley Charleston Dorchester Council of Governments		TWDB ADW FY19-20	909,073	-
Passed through from the Berkeley Charleston Dorchester Council of Governments		2019-2020 Adult OSO	238,067	-
Passed through from the Lower Savannah Workforce Development Area		9AC97ED	1,236,062	-
Passed through from the Lower Savannah Workforce Development Area		9DA Y697ED	49,325	-
Passed through from the Lower Savannah Workforce Development Area		19471000	714,756	-
Passed through from the Santee Lynches Workforce Development Board		81396E1	270,886	-
Passed through from WorkSource Montgomery, Inc.		2019-0001	136,077	-
Passed through from the State of New York Department of Youth and Community Development		60796C	86,795	-
Passed through from the State of California County of San Luis Obispo Department of Social Services		CD14 - 2019	499,050	-
Passed through from the State of California City of San Jose Office of Economic Development		1633891	1,040,717	-
Passed through from the Capital Area Workforce Development		EC0000000001475	216,670	-
Passed through State of New Jersey County of Mercer		PY2018-292	156,830	-
Passed through from the Citrus Levy Marion Regional Workforce Development Board		PY17-LOA-05	10,465	-
Passed through from the Ocean County Workforce Development Board		017-R18-6536	262,433	-
Passed through from the State of Maryland Prince George County		2018CR-WDB-005	52,174	-
Passed through from the Philadelphia Works		TW-19-174	3,671,101	-
Passed through from the Philadelphia Works		PW20-054	7,691	-
Passed through from Employ Indy		S0506-WCF-19-WOI	632,556	-
Total WIOA Adult Program			12,540,242	-

(Continued)

ECKERD CONNECTS

Schedule of Expenditures of Federal Awards and State Financial Assistance - Continued

Federal/State Agency/ Pass-through Entity/ Federal Program/State Project	CFDA/ CSFA Number	Contract/ Grant Number	Expenditures	Transfers to Subrecipients
WIOA Youth Activities:	17.259			
Passed through the State of North Carolina City of Durham		NC 2018-20 REO	\$ 136,808	-
Passed through the State of North Carolina City of Durham		NC FY 19-20 Yth	777	-
Passed through from the Durham Workforce Development Board		n/a	367,981	-
Passed through from the Appalachian Council on Government		19Y495E2	531,724	-
Passed through from the Berkley Charleston Dorchester Council of Governments		TWDB Yth FY19-20	663,268	-
Passed through from the Santee Lynches Workforce Development Board		9AC-97ED	462,414	-
Passed through from the State of California City of San Jose Office of Economic Development		1633891	900,230	-
Passed through from the Lower Savannah Workforce Development Area		9DA Y697ED	49,325	-
Passed through from the Lower Savannah Workforce Development Area		9N197ED	764,417	-
Passed through from Pee Dee Regional Council of Governments		9Y50791	514,239	-
Passed through from South Carolina Department of Employment and Workforce		17W1C07	183,928	-
Passed through from the Citrus Levy Marion Regional Workforce Development Board		PY17 - LOA - 06	1,073,360	-
Passed through from the Delaware County Workforce Development Board		ECK-028-19YT	152,854	-
Passed through from the State of New York Department of Youth and Community Development		90529	672,795	-
Passed through from the State of New York Department of Youth and Community Development		90528	817,482	-
Passed through from the Career Source Research Coast		15-003-YWS	984,938	-
Passed through from the Pasco Hernando Workforce Board, Inc.		n/a	940,639	-
Passed through from the CareerSource Flagler Volusia		PY 2019-20 VOL	350,775	-
Passed through from the First Coast Workforce Development Board		2019-2020-02	567,820	-
Passed through from the State of California County of San Luis Obispo Department of Social Services		C022 - 2019	362,711	-
Passed through State of Ohio Franklin County Department of Job and Family Services		25-19-3279	455,368	-
Passed through from the State of Maryland Prince George County		2018CR-WDB-004	322,606	-
Passed through from the State of Maryland Prince George County		2018CR-WDB-005	52,174	-
Passed through from the State of California County of Stanislaus		936-19	299,042	-
Passed through from Employ Indy		S0506-WCF-19-WOI	22,929	-
Direct federal award from the U.S. Department of Labor		72-050719	336,018	-
Total WIOA Youth Activities			11,986,622	-
WIOA Dislocated Worker Formula Grants:	17.278			
Passed through from the Appalachian Council on Government		19A995E1/19D995E1	135,733	-
Passed through from the Berkley Charleston Dorchester Council of Governments		TWDB A DW FY19-20	208,224	-
Passed through from the Durham Workforce Development Board		n/a	179,506	-
Passed through from the Lower Savannah Workforce Development Area		9DW008	458,596	-
Passed through from the Lower Savannah Workforce Development Area		9DA Y697ED	49,325	-
Passed through from the Berkley Charleston Dorchester Council of Governments		2019-2020-DW	100,007	-
Passed through from the Upper Savannah Council on Government		72396E1	117,385	-
Passed through from the Upper Savannah Council on Government		82396E1	17,970	-
Passed through from the Lower Savannah Workforce Development Area		19471000	64,563	-
Passed through from the State of California County of San Luis Obispo Department of Social Services		C014 - 2019	219,415	-
Passed through from the Pee Dee Regional Council of Governments		9D50711	117,452	-
Passed through from the Pee Dee Regional Council of Governments		8D50712	16,020	-
Passed through from the Citrus Levy Marion Regional Workforce Development Board		PY17 - LOA - 05	8,922	-
Passed through from the State of Maryland Prince George County		2018CR-WDB-005	52,174	-
Passed through from the State of California City of San Jose Office of Economic Development		1633891	427,066	-
Passed through from the Appalachian Council on Government		18RR295E2	12,767	-
Passed through from the Pee Dee Regional Council of Governments		0RR50711	84,938	-
Passed through from Employ Indy		S0506-WCF-19-WOI	171,970	-
Total WIOA Dislocated Worker Formula Grants			2,442,033	-
Total WIOA Cluster			\$ 26,968,897	-

(Continued)

ECKERD CONNECTS

Schedule of Expenditures of Federal Awards and State Financial Assistance - Continued

Federal/State Agency/ Pass-through Entity/ Federal Program/State Project	CFDA/ CSFA Number	Contract/ Grant Number	Expenditures	Transfers to Subrecipients
Reentry Employment Opportunities:	17.270			
Direct federal award from the U.S. Department of Labor		YF-29324-16-60-A-12	\$ 357,044	247,499
Total Reentry Employment Opportunities			357,044	247,499
YouthBuild	17.274			
Passed through from the Citrus Levy Marion Regional Workforce Development Board		PY17 - LOA - 05	32,952	-
Total YouthBuild			32,952	-
Total U.S. Department of Labor			27,358,893	247,499
Total Expenditures of Federal Awards - Eckerd Connects			\$ 119,699,009	34,341,648
Caring for Children:				
<i>U.S. Department of Health and Human Services:</i>				
Promoting Safe and Stable Families:	93.556			
Passed through State of North Carolina Department of Health and Human Services		38837	\$ 424,582	-
Passed through State of North Carolina Department of Health and Human Services		38920	38,761	-
Total Promoting Safe and Stable Families			463,343	-
Basic Center Grant:	93.623			
Direct federal award from the U.S. Department of Health and Human Services		90CY7076	136,690	-
Total Basic Center Grant			136,690	-
Total U.S. Department of Health and Human Services			600,033	-
Total Expenditures of Federal Awards - Caring for Children			\$ 600,033	-
Paxen, LLC:				
<i>U.S. Department of Labor:</i>				
WIOA Cluster:				
WIOA Adult Program:	17.258			
Passed through from the River Valley Regional Commission		AA 307431755A 13	\$ 194,056	-
Passed through from the Macon-Bibb County Workforce Development Board		n/a	98,901	-
Total WIOA Adult Program			292,957	-
WIOA Youth Activities:	17.259			
Passed through from the River Valley Regional Commission		AA 407431755A 13	285,379	-
Passed through from the Southern Georgia Regional Commission		19-04	351,066	-
Passed through from the State Workforce Coastal		16-0167	86,323	-
Passed through from the State Workforce Coastal		2019-ECP YS-CCM-02	294,859	-
Passed through from the Northeast Georgia Regional Commission		AA 32611855A 13	199,960	-
Passed through from the Three Rivers Workforce Development		2017-YS-Paxen-01	9,574	-
Passed through from the Macon-Bibb County Workforce Development Board		n/a	405,313	-
Passed through from the State of Georgia DeKalb County		1086650	108,128	-
Passed through from the Northwest Georgia Regional Commission		01-19-20-0167	379,785	-
Passed through from the State of Georgia City of Colquitt		PY18-126-WIOA	521,152	-
Passed through from the Atlanta Regional Commission		WD1812.2	480,568	-
Total WIOA Youth Activities			3,122,107	-
WIOA Dislocated Worker Formula Grants:	17.278			
Passed through from the Macon-Bibb County Workforce Development Board		n/a	7,166	-
Total Reentry Employment Opportunities			7,166	-
Total WIOA Cluster			3,422,230	-
Total Expenditures of Federal Awards - Paxen, LLC			3,422,230	-
Total Expenditures of Federal Awards - All Entities			\$ 123,721,272	34,341,648

(Continued)

ECKERD CONNECTS**Schedule of Expenditures of Federal Awards and State Financial Assistance - Continued**

State Agency/ Pass-through Entity/ State Project	CSFA Number	Contract/ Grant Number	Expenditures	Transfers to Subrecipients
Eckerd Connects - State of Florida State Financial Assistance:				
<i>Department of Children and Families:</i>				
Out of Home Supports:				
	60.074			
Direct state award from the Department of Children and Families		QJ3E0	\$ 2,505,737	805,532
Direct state award from the Department of Children and Families		QJ511	<u>3,040,991</u>	<u>1,547,470</u>
Total Out of Home Supports			<u>5,546,728</u>	<u>2,353,002</u>
Independent Living:				
	60.112			
Direct state award from the Department of Children and Families		QJ3E0	162,680	-
Direct state award from the Department of Children and Families		QJ511	<u>147,821</u>	<u>-</u>
Total Independent Living			<u>310,501</u>	<u>-</u>
Extended Foster Care:				
	60.141			
Direct state award from the Department of Children and Families		QJ3E0	8,850	-
Direct state award from the Department of Children and Families		QJ511	<u>12,928</u>	<u>-</u>
Total Extended Foster Care			<u>21,778</u>	<u>-</u>
CBC - Purchase of Therapeutic Services for Children:				
	60.183			
Direct state award from the Department of Children and Families		QJ3E0	898,527	252,420
Direct state award from the Department of Children and Families		QJ511	<u>1,076,251</u>	<u>261,790</u>
Total CBC - Purchase of Therapeutic Services for Children			<u>1,974,778</u>	<u>514,210</u>
Total Department of Children and Families			<u>7,853,785</u>	<u>2,867,212</u>
<i>Department of Juvenile Justice:</i>				
Day Treatment Services:				
	80.021			
Direct state award from the Department of Juvenile Justice		10591	1,875,820	-
Direct state award from the Department of Juvenile Justice		10645	<u>1,635,506</u>	<u>-</u>
Total Day Treatment Services			<u>3,511,326</u>	<u>-</u>
Total Department of Juvenile Justice			<u>3,511,326</u>	<u>-</u>
Total Expenditures of State of Florida State Financial Assistance - Eckerd Connects			<u>\$ 11,365,111</u>	<u>2,867,212</u>

ECKERD CONNECTS

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2020

(A) **Basis of Presentation**

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal and state grant activity of Eckerd Youth Alternatives, Inc. (d/b/a Eckerd Connects) and its affiliates, Caring for Children, Inc. and Paxen, LLC (collectively, "Eckerd Connects") under programs of the federal government and the State of Florida for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and Chapter 10.650, *Rules of the State of Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of Eckerd Connects, it is not intended to and does not present the combined financial position, changes in net assets or cash flows of Eckerd Connects.

(B) **Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650, *Rules of the State of Florida Auditor General*. Under these cost principles, certain expenditures are not allowable or are limited as to reimbursement.

(C) **Non-Cash Assistance/Federal Insurance**

Eckerd Connects and its affiliates had non-cash assistance in the form of food commodities totaling \$8,881 for the year ended June 30, 2020. Eckerd Connects and its affiliates did not have Federal Insurance in force during the year ended June 30, 2020.

(D) **Other**

The accompanying Schedule includes federal expenditures awarded by pass-through agencies. Expenditures of certain federal programs were awarded to Eckerd Connects by more than one pass-through agency or under more than one contract.

Due to Eckerd Youth Alternatives, Inc.'s historical use of a negotiated indirect cost rate agreement with the U.S. Department of Health and Human Services, Eckerd Youth Alternatives, Inc. is not using the 10% de minimis indirect cost rate allowed under the Uniform Guidance. Caring for Children, Inc. and Paxen, LLC have elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

ECKERD CONNECTS

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance - Continued

(D) Other - Continued

Total federal expenditures by federal program for the year ended June 30, 2020 were as follows:

CFDA No.	Federal Program	Eckerd Youth Alternatives, Inc.	Caring for Children, Inc.	Paxen, LLC	Total Expenditures
<i>Child Nutrition Cluster:</i>					
10.553	National School Breakfast Program	\$ 79,059	-	-	79,059
10.555	National School Lunch Program	148,005	-	-	148,005
		<u>227,064</u>	<u>-</u>	<u>-</u>	<u>227,064</u>
10.569	Emergency Food Assistance Program (Food)	8,881	-	-	8,881
<i>WIOA Cluster:</i>					
17.258	WIOA Adult Program	12,540,242	-	292,957	12,833,199
17.259	WIOA Youth Activities	11,986,622	-	3,122,107	15,108,729
17.278	WIOA Dislocated Worker Formula Grants	2,442,033	-	7,166	2,449,199
		<u>26,968,897</u>	<u>-</u>	<u>3,422,230</u>	<u>30,391,127</u>
17.270	Reentry Employment Opportunities	357,044	-	-	357,044
17.274	YouthBuild	32,952	-	-	32,952
84.000	E-Rate	52,881	-	-	52,881
84.027	Special Education Grants to States	4,107	-	-	4,107
93.556	Promoting Safe and Stable Families	3,993,460	463,343	-	4,456,803
<i>TANF Cluster:</i>					
93.558	Temporary Assistance to Needy Families	16,067,259	-	-	16,067,259
93.590	Community-Based Child Abuse Prevention Grants	118,720	-	-	118,720
93.597	Grants to States for Access and Visitation Programs	31,746	-	-	31,746
93.599	Chafee Education and Training Vouchers Program (ETV)	209,394	-	-	209,394
93.600	Head Start	7,125,340	-	-	7,125,340
93.623	Basic Center Grant	-	136,690	-	136,690
93.645	Stephanie Tubbs Jones Child Welfare Services Program	2,631,752	-	-	2,631,752
93.658	Foster Care Title IV-E	26,245,295	-	-	26,245,295
93.659	Adoption Assistance	24,274,568	-	-	24,274,568
93.667	Social Services Block Grant	7,852,742	-	-	7,852,742
93.669	Child Abuse and Neglect State Grants	333,770	-	-	333,770
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood	932,094	-	-	932,094
<i>Medicaid Cluster:</i>					
93.778	Medical Assistance Program	127,398	-	-	127,398
93.788	State Targeted Response to the Opioid Crisis Grants	285,626	-	-	285,626
93.959	Block Grant for the Prevention and Treatment of Substance Abuse	1,818,019	-	-	1,818,019
		<u>\$ 119,699,009</u>	<u>600,033</u>	<u>3,422,230</u>	<u>123,721,272</u>

INTERNAL CONTROL AND COMPLIANCE



Mayer Hoffman McCann P.C.

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**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Combined Financial
Statements Performed in Accordance with *Government Auditing Standards***

The Board of Directors
Eckerd Youth Alternatives, Inc. and Affiliates:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Eckerd Youth Alternatives, Inc. (d/b/a Eckerd Connects) and Affiliates (collectively, "Eckerd Connects"), which comprise the combined statement of financial position as of June 30, 2020, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated December 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered Eckerd Connects' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eckerd Connects' internal control. Accordingly, we do not express an opinion on the effectiveness of Eckerd Connects' internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mayer Hoffman McCann P.C.

December 22, 2020
Clearwater, Florida



Mayer Hoffman McCann P.C.

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Independent Auditor's Report on Compliance for Each Major Federal Program and State Financial Assistance Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, Rules of the State of Florida Auditor General

The Board of Directors
Eckerd Youth Alternatives, Inc. and Affiliates:

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

We have audited Eckerd Youth Alternatives, Inc. (d/b/a Eckerd Connects) and Affiliates' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of Eckerd Connects' major federal programs and state projects for the year ended June 30, 2020. Eckerd Connects' major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state financial assistance projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Eckerd Connects' major federal programs and major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and Chapter 10.650, *Rules of the State of Florida Auditor General*. Those standards, the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about Eckerd Connects' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of Eckerd Connects' compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, Eckerd Connects complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Eckerd Connects is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Eckerd Connects' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Eckerd Connects' internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Mayer Hoffman McCann P.C.

December 22, 2020
Clearwater, Florida

ECKERD CONNECTS

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

(A) Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the combined financial statements of Eckerd Youth Alternatives, Inc. and Affiliates.
2. No significant deficiencies or material weaknesses relating to the audit of the combined financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Combined Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the combined financial statements of Eckerd Youth Alternatives, Inc. and Affiliates were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal programs and state projects are reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and State Financial Assistance Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, *Rules of the State of Florida Auditor General*.
5. The auditor's report on compliance for the major federal award programs and state projects for Eckerd Youth Alternatives, Inc. and Affiliates expresses an unmodified opinion.
6. Audit findings, if any, relative to the major federal award programs and state projects for Eckerd Youth Alternatives, Inc. and Affiliates are reported in Part C and Part D of this schedule.

The programs tested as major federal programs and state projects were:

Federal Programs:

Promoting Safe and Stable Families (CFDA No. 93.556)
TANF Cluster (CFDA No. 93.558)
Head Start (CFDA No. 93.600)
Adoption Assistance (CFDA No. 93.659)

Florida State Projects:

Out-of-Home Supports (CSFA No. 60.074)
Day Treatment Services (CSFA No. 80.021)

7. The threshold for distinguishing Types A and B programs was \$3,000,000 for major federal programs, \$750,000 for Florida major state projects.
8. Eckerd Youth Alternatives, Inc. and Affiliates were determined to be low-risk auditees.

ECKERD CONNECTS

Schedule of Findings and Questioned Costs - Continued

(B) Findings - Audit of Combined Financial Statements

None.

(C) Findings and Questioned Costs - Major Federal Award Programs

None.

(D) Findings and Questioned Costs - Major State Financial Assistance Projects

None.

(E) Other Issues

A Summary Schedule of Prior Audit Findings is not required because there were no findings reported in the 2019 audit.



Mayer Hoffman McCann P.C.

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The Board of Directors
Eckerd Youth Alternatives, Inc. and Affiliates:

Report on Combined Financial Statements

We have audited the combined financial statements of Eckerd Youth Alternatives, Inc. (d/b/a Eckerd Connects) and Affiliates (collectively, "Eckerd Connects" as of and for the year ended June 30, 2020, and have issued our report thereon dated December 22, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and Chapter 10.650, *Rules of the State of Florida Auditor General*.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Combined Financial Statements Performed in Accordance with *Government Auditing Standards*, our Independent Auditor's Report on Compliance for Each Major Federal Program and State Financial Assistance Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, *Rules of the State of Florida Auditor General*, and the Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated December 22, 2020, should be considered in conjunction with this management letter.

Other Matter

Section 10.654(1)(e), *Rules of the State of Florida Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the combined financial statements or State Project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not identify any such findings.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McCann P.C.

December 22, 2020
Clearwater, Florida

**Eckerd Youth Alternatives, Inc.
Board of Directors**

Current Term of Service: July 1, 2020 through June 30, 2021

Name/Title/Residence	Vocation
V. Raymond Ferrara Chairman of the Board <i>Bellair, FL Resident</i>	President and CEO of ProVise Management Group, LLC, a financial planning firm which is a Registered Investment Advisor with the Securities and Exchange Commission and is one of the largest financial planning firms in the country.
James T. Swann Vice Chairman of the Board <i>Merritt Island, FL Resident</i>	Director and Past Chairman of the Board for Eckerd. He is currently a Board Member and Past Chairman of The Florida Nature Conservancy and Board Member of FBC Bancorp, Inc.
David Dennis Board President <i>Clearwater, FL Resident</i>	President/CEO of Eckerd since 2007 who has grown and transformed the organization through the addition of more than 30 new community-based services that assist children, youth, young adults, and families. He holds a master's degree from Southwestern Baptist Seminary and is certified as a Licensed Professional Counselor, Licensed Marriage and Family Therapist, and Licensed Childcare Administrator.
Dennis Hardiman Board Director <i>Tampa, FL Resident</i>	An experienced international businessman and social entrepreneur, Dennis owns businesses involved in mortgages, insurance, healthcare and venture capital. He has been involved in starting businesses and non-profit organizations dedicated to global social impact in areas such as health care and the abuse of women.
Eric Beck Board Director <i>Clearwater, FL Resident</i>	Senior Vice President, Health and Human Services Division of Marsh & McLennan Agency. Mr. Beck is the endorsed insurance agent for the Florida Association of Community Health Centers and works extensively with the Florida Coalition for Children. In 2016 and 2017, Eric was recognized as a top 100 insurance agent in the country by Business Insurance magazine.
Joseph W. "Joe" Clark Board Director <i>Tampa, FL Resident</i>	Led the Eckerd Family Foundation grant making activities focusing on transformational interventions yielding measurable, sustainable outcomes for youth at risk. Joe holds a Juris Doctor degree from Syracuse University College of Law and practiced civil trial law for 25 years in Tampa, Florida. Joe served as a both a consultant to the Juvenile Justice Task Force of Hillsborough County and on the Youth Transition Funders Group.
Benjamin F. Hill Board Director <i>Atlanta, GA</i>	Leads People Development and Organizational Effectiveness for Warner Media, including HBO, Warner Brothers, CNN, TBS, TNT, Cartoon Network, and Turner Sports. Ben was formerly the Senior VP of Talent Management and HR Strategy for Turner Broadcasting; he serves as a board trustee for the High Museum of Art and chairs the Ron Clark Academy board of directors.
Sam Weatherford Board Director <i>Dallas, TX Resident</i>	Sam is a Partner at Weatherford Capital, a family-owned private investment firm founded in 2015. Sam serves on the board of directors for several organizations.
Kennedy C. O'Herron Board Director <i>Raleigh, NC Resident</i>	Founder and owner of O'Herron & Company, with more than 25 years of experience in investments and money management. Kennedy serves as Treasurer, Chair of the Financial Development Committee, and Executive Committee Board Member of the Capital Area YMCA. He also serves on the boards of Hilltop Home, the North Carolina Museum of Art, Wake County United Way, Ravenscroft School, and 3TEX Corporation and Outsourcing, Inc.
Glenn Waters Board Director <i>Tampa, FL Resident</i>	President of BayCare's Hospital Division responsible for operations, strategic planning and clinical integration of BayCare's hospitals across Hillsborough, Pasco, Polk and Pinellas counties. Glenn was named hospital division president in 2013 after five years as president of Morton Plant Mease Health Care, where he earned a reputation as a forward-thinking, strategic leader focused on the needs of the community, quality of care, and community outreach.

Residence of each board member listed above. All board members use the following address for Eckerd-related business: 100 North Starcrest Drive, Clearwater, FL 33765.

SUZANNE BARLOW

SELECTED EMPLOYMENT EXPERIENCE:

Senior Director of Innovation and Quality, Eckerd Connects, Clearwater, FL, Nov 2020-Present

- Lead efforts to replicate Eckerd Rapid Safety Feedback in states which have contracted to participate in this initiative, including the development of jurisdictional tools, training of staff, providing ongoing technical support, and monitoring fidelity to the model
- Manage the Casey Family Programs-funded evaluations of the ERSF process
- Research policy in all states working with the Innovation Division, synthesizing findings and implications of policy changes/barriers and devising recommendations to overcome them
- Work as a liaison between jurisdictions and Mindshare Technologies to provide technical support and system resolutions
- Help to identify ways to address systemic areas within Eckerd Connects Community-Based Care programs in Pinellas, Pasco, and Hillsborough Counties requiring quality improvement and work to provide solutions based on a qualitative review of data and casework
- Complete and/or ensure completion of specialized case reviews and systemic reviews, as requested by management
- Provide technical support to ECA and CMO management staff
- Serve as the supervisor to the Quality and Innovation Manager
- Serve as the supervisor to the Quality Management Supervisors who oversee the Eckerd Rapid Safety Feedback processes in Pinellas/Pasco and Hillsborough Counties

Quality Improvement Coordinator, Youth and Family Alternatives, Trinity, FL, Dec 2017-Nov 2020

- Supported case management staff and leadership by developing strategies to improve performance on external and internal standards, creating and validating data reports to improve efficiency within case management and supervisory teams, and conducting case reviews related to safety, permanency, and wellbeing, as well as stakeholder concerns
- Provided training, coaching, and subject matter expertise for case management staff regarding areas of quality improvement and risk management, such as critical incident reporting, administration of psychotropic medications, child exit surveys, and quality home visits
- Participated in continuous quality improvement exercises within case management and other programs, including facilitating and participating in peer reviews for case management, residential, and non-residential programs, and conducting and analyzing client satisfaction surveys

Senior Quality and Innovation Manager, Eckerd Connects, Clearwater, FL, Sept 2015-Nov 2017

- Managed development of Eckerd Rapid Safety Feedback review tools and practice guides specific to local policy and practice in replication jurisdictions nationwide
- Primary point of contact for ERSF replication sites, to include providing training, coaching, and technical assistance to reviewers and management in ERSF replication jurisdictions, as well as monitoring fidelity to the ERSF model
- Key participant in evaluation activities with Casey Family Programs with regards to implementation and replication of Eckerd Rapid Safety Feedback, to include co-development of participant surveys, focus group questions, and fidelity documents

Quality Management Supervisor, Eckerd, Pasco/Pinellas, FL, Feb 2015-Sept 2015

- Supervised team of 5 Quality Management Specialists in completing Eckerd Rapid Safety Feedback reviews, as well as other required reviews
- Provided real time coaching to case management staff when safety concerns were identified

- Monitored performance of Eckerd Community Alternatives child welfare system, identifying areas for improved performance and providing feedback to leadership
- Conducted in-depth case reviews as requested, resulting from critical incidents, constituent concerns, and other special circumstances

Quality Management Specialist, Eckerd Pasco/Pinellas, FL, Feb 2013-Feb 2015

- Completed Eckerd Rapid Safety Feedback reviews per agency policies and provide real time coaching to case management staff when safety concerns were identified
- Processed child exit surveys for all Eckerd Community Alternatives children meeting criteria, tracked and reported completion and quality
- Conducted in-depth case reviews as requested, resulting from critical incidents, constituent concerns, and other special circumstances

Quality Assurance and Operations Manager, Wesley House Family Services, Key West, FL, March 2010-Dec 2012.

- Coordinated and implemented all Quality Assurance activities for Wesley House Family Services full case management operations including prevention services, voluntary supervision, court ordered protective supervision, and foster care and adoption services
- Created and updated policies and procedures, and provided training and technical assistance to staff
- Directly supervised six operations staff including data integrity, utilization management, and case management support workers

Full Case Manager Supervisor, Wesley House Family Services, Key West, FL, July 2007-March 2010

- Provided direct supervision to five case management staff assessing and providing services to families involved in the dependency system, managing a team caseload of up to 125 children
- Ensured staff accurately assessed families' needs upon transfer to family services
- Mentored staff to provide and coordinate services based on children and families' needs
- Monitored progress towards case plan goals and permanency during weekly individual supervision with caseworkers.

Full Case Manager, Wesley House Family Services, Key West, FL, July 2006-July 2007

- Conducted risk assessment activities to monitor the safety of children involved in the dependency system, working with caseloads up to 25 children
- Provided case management services to families involved in dependency system, including home visitation and provision of service referrals
- Coordinated all relevant parties involved in decision-making for families
- Reported progress and made recommendations both verbally and in writing to dependency judiciary
- Performed crisis intervention as needed

EDUCATION:

B.S. in Psychology: minor in Sociology, University of Florida, Gainesville, FL, 2005

- *Cum Laude*

Certifications:

- Family Services Counselor Supervisor, State of Florida Department of Children and Families, April 2009.
- Quality Assurance Reviewer for Case Management Services Quality Practice Standards, Department of Children and Families Family Safety Program Office, June 2009.
- Child Welfare Case Manager – Supervisor, Florida Certification Board, March 2012

REFERENCES AVAILABLE UPON REQUEST

Heather Manninen

Objective: Obtain a challenging position which will enable me to utilize my strong organizational skills and ability to work well with people.

Education: University of South Florida Tampa, FL
BA in Criminology

Certified as a DCF Quality Assurance Reviewer

Experience: Eckerd Connects Clearwater, FL
Quality and Innovation Manager November 2016 to Present

- Manage development of Eckerd Rapid Safety Feedback review tools and practice guides specific to local policy and practice in replication jurisdictions.
- Primary point of contact for ERSF replication sites, to include providing training, coaching, and technical assistance to reviewers and management in ERSF replication jurisdictions, as well as monitor fidelity to the ERSF model.
- Key participant in evaluation activities with Casey Family Programs with regards to implementation and replication of Eckerd Rapid Safety Feedback, to include co-development of surveys, focus group questions, and fidelity documents.
- Supervises the Quality Improvement Innovator position. Which is the point of contact for Eckerd Rapid Permanency.
- Conducts Special/In-depth/Death reviews as requested by leadership due to issues or concerns in a case.

Eckerd Connects Tampa, FL
Quality Management Specialist June 2015 to November 2016

- Conducts Special/In-depth/Death reviews as requested by leadership due to issues or concerns in a case.
- Conducts follow up reviews to ensure quality and practice of standards is evident.
- Prepare and present data reports as well as create documents to assist case managers with quality improvement practices.
- Conducts file audits, validates and reviews all completed tools for accuracy as well as train peer reviewers.
- Conducts CFSR, to include a file review, interview participants of a case and complete the DCF tool and report.
- Conduct Rapid Safety Reviews on high risk cases. This process includes mentoring the case manager.
- Member of the Adoption Applicant Review Committee.

Camelot Community Care Tampa, FL
Quality Management Specialist September 2014-June 2015

- As part of the management team develop and implement processes, policies and procedures. Participates in interviews and hiring of employees.
- Tracking and follow up to ensure that Camelot CMO and Adoptions meet performance and scorecard measures.

prepares written, data, and analytical reports to depict trends and, as appropriate; makes recommendations through positive communication with program managers, supervisors and case managers to allow for improvement opportunities of practice.

- Conducts reviews of all high risk cases utilizing the Rapid Safety Feedback Tool, cases projected for permanency, placement stability reviews, re-removal reviews and any other review requested.
- Serves as point of contact and ensures compliance with missing children, human trafficking victims, psychotropic medications, exit interviews, incident reports, healthcare, supervisory reviews, parent contacts and children seen by monitoring reports and ensuring follow up by case managers and supervisors.
- Identify training needs and organize training interventions to meet quality standards

Eckerd Connects
Quality Management Specialist

Tampa, FL
July 2012 to September 2014

- Conducts Special/In-depth/Death reviews as requested by leadership due to issues or concerns in a case.
- Prepare and present data reports as well as create documents to assist case managers with quality improvement practices.
- Conducts file audits, validates and reviews all completed tools for accuracy as well as train peer reviewers.
- Conducts Quality Service Reviews, to include a file review, interview participants of a case and complete the DCF tool and report.
- Conduct Rapid Safety Reviews on high risk cases. This process includes mentoring the case manager.

Hillsborough Kids Inc,
Quality Assurance Specialist

Tampa, FL
June 2010 to June 2012

- Provides oversight of Incident Reporting through processing, tracking, and ensuring follow-up and best practice is utilized.
- Conducts Special/In-depth/Death reviews as requested by leadership.
- Conducts follow up reviews to ensure quality and practice of standards is evident.
- Prepare and present data reports as well as create documents to assist case managers with quality improvement practices.

Camelot Community Care
Case Manager

Tampa, FL
September 2006 to June 2010

- Maintained a caseload with the majority being ordered into drug court due to Substance Abuse. Attended weekly drug court hearings, provided referrals for drug screens and monitored progress in the treatment program.
- Responsible for writing the initial case plan, monitor and review case plan tasks and safety plans with the parents as well as prepared Judicial Reviews for court.
- Maintained contact with the providers working with the families to obtain progress of case plan tasks. Maintained face-to-face contact according to risk level with each of the children in the foster home or primary residence of the children.
- Attended court hearings with prepared documents. Testified as to case plan compliance, the children's well-being, placement, and provided recommendations to reunite the family, terminate parental rights, remove child from family, and close cases when appropriate according to Agency policy and procedures.

References: Current reference available upon request.

LORITA C. SMITH SHIRLEY

EDUCATION

- Florida State University
Masters Degree in Social Work 2008
- Florida State University
Bachelors Degree in Social Work 1991

PROFESSIONAL EXPERIENCE

Eckerd Youth Alternatives, Inc.

Chief of Performance and Quality

2018 - Present

- Responsible for Eckerd performance improvement, data and innovation efforts to include the implementation of Eckerd Rapid Safety Feedback.

Chief of Community Based Programs

2013 - 2018

- Oversight of Circuit 6 and Circuit 13 Community Based Care Lead Agencies including oversight of child welfare budget and design/development of a quality driven system of care to insure the delivery of protective services, foster care and adoption services to children served in Pinellas, Pasco and Hillsborough Counties. Also responsible for successful scaling of Eckerd Rapid Safety Feedback

Eckerd Community Alternatives | Hillsborough

Executive Director

2012-2013

- Oversight of the Community Based Care Child Welfare Lead Agency in Hillsborough County, including oversight of a \$65 million child welfare budget and fiscal, administrative, & operational accountability for Hillsborough County's Child Welfare System of Care.

Eckerd Community Alternatives | Pinellas/Pasco

Executive Director

2009-2012

- Oversight of the Community Based Care Child Welfare Lead Agency in Pinellas and Pasco, including oversight of a \$57 million child welfare budget and fiscal, administrative, & operational accountability for Hillsborough County's Child Welfare System of Care.

Eckerd Community Alternatives | Pinellas/Pasco

Senior Director of Operations

2008-2009

- Oversight of Lead Agency Operational functions including identification of systemic barriers impacting performance and development of systemic countermeasures to address program performance.

Heartland for Children

Assistant Executive Director

2005-2008

- Responsible for operational functions to include helping to manage a \$41 million budget and providing oversight of approximately 2600 children receiving child welfare services in a three county area. Responsible for program development, implementation and enhancement.

LORITA C. SMITH SHIRLEY

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LICENSES, CERTIFICATIONS, AWARDS & MEMBERSHIPS

Certified as a State of Florida Child Protection Professional

Recipient of Florida Department of Children and Families Heart of Gold Award

Recipient of Florida Coalition for Children, Jim Strayer Leadership Award

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Lorita Shirley	Chief of Performance & Quality	\$175,000	3.1%	5,355
Suzanne Barlow	Sr. Director Innovation & Quality	\$ 81,000	15%	12,150
Heather Manninen	Quality & Innovation Manager	\$ 61,200	40%	24,480



Jeffrey A. Meyers
Commissioner

Joseph E. Ribsam, Jr.
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR CHILDREN, YOUTH & FAMILIES

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-4451 1-800-852-3345 Ext. 4451
Fax: 603-271-4729 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

June 4, 2019

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Children, Youth and Families, to enter into a **sole source** agreement with Eckerd Youth Alternatives, Inc. d/b/a Eckerd Connects (Vendor #171668), 100 N Starcrest Drive, Clearwater, Florida 33765-3224, to provide Rapid Safety Feedback ® services (Mindshare Technology) in an amount not to exceed \$216,000, effective on July 1, 2019 or upon the date of Governor and Executive Council approval, whichever is later, through June 30, 2021. 100% General Funds.

Funds are anticipated to be available in the following account for State Fiscal Year (s) 2020 and 2021.

05-95-42-Activity#421010-Accounting Unit#29600000, HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION FOR CHILDREN, YOUTH AND FAMILIES, CHILD PROTECTION, ORGANIZATIONAL LEARNING & QUALITY IMPROVEMENT

State Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
2020	067/500557	Training & Providers	42106040	\$108,000
2021	067/500557	Training & Providers	42106040	\$108,000
			Total	\$216,000

EXPLANATION

This request is for a **sole source** agreement because the Contractor developed Eckerd Rapid Safety Feedback ®, which is a program that utilizes predictive analytics to help identify child welfare cases of the highest probability of a serious injury or death. This program identifies critical case practices that greatly assist in keeping children safe. The Rapid Safety Feedback® model is dependent upon proprietary web-based software called Mindshare and the Contractor subcontracts with Mindshare to provide this service. The Contractor is currently providing Rapid Safety Feedback ® services to the Department through a Memorandum of Agreement approved by the Governor and Executive Council on

WJ mac

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
Page 2 of 3

June 7, 2017, Item #11B, as part of the Department's contract with Casey Family Programs, Inc. Funding for the project from Casey Family Programs, Inc. is being discontinued; therefore, the Memorandum of Agreement is being terminated. This sole source agreement will allow the Department to provide funding to continue this important project to save the lives of New Hampshire's most vulnerable children. Based on data from the number of children served over the last several months, between 596 to 964 children will benefit from the services provided by the Contractor over a full year.

Under this agreement, the Contractor and the Department will continue to work collaboratively to identify children who are at the highest risk of abuse and neglect to mitigate the risk of repeat maltreatment from caregivers, and to reduce child abuse and neglect fatalities. Utilizing its subcontract with proprietary software entity Mindshare, shall host, maintain and support a dedicated, secure Web Portal to provide the Department with twenty-four (24) hour technical support and access to the Web Portal and the reports it generates. The Web Portal will enable the Department to conduct statistical analysis of Child Abuse Investigations where the outputs of the predictive model are accessible for daily use. The Web Portal contain outputs that include a prediction across live data, a cross tabulation of all findings from the historical data set, and a data worksheet allowing the Department to navigate to investigation/case/participant detail as it pertains to the data provided, combined with the outputs of the modeling.

The Contractor will adapt the Web Portal to create reports that provide a customized predictive data sample of prioritized cases for review by the Department. The Contractor will provide additional reports as mutually agreed upon by the Contractor and the Department.

Although Rapid Safety Feedback implementation was only begun in May of 2018, with all district offices participating as of December 2018, the preliminary results are promising in terms of safety interventions, findings, and even the length of time an assessment remains open. A strong correlation has already been observed between finding rates and Rapid Safety Feedback indicating the right children are being identified, and appropriate interventions are being made to mitigate risk and create safety for these children. The following performance measures/objectives will be used to measure the effectiveness of the agreement:

- The services provided by the Contractor shall meet the Recommendation 19 from the Quality Assurance Review of DCYF that was made final in 2016, to re-conceptualize the process of identifying safety threats and risks of harm associated with incoming reports of maltreatment.
- The Contractor shall assist the Department in meeting mandates for the Program Improvement Plan from the Child and Family Services Review, which identifies the need for improved assessment and management of the safety and risk for children and youth. If mandates for improvement are not met, the Department is subject to financial penalties.

As referenced in Exhibit A of this contract, the Department has the option to extend contract services for up to four (4) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council.

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
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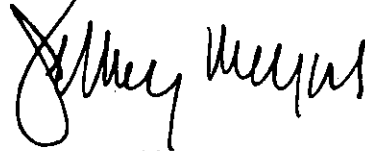
Should the Governor and Executive Council not authorize this request, the Department's ability to improve child safety and reduce child abuse and neglect, including fatalities, will be significantly diminished.

Area served: Statewide.

Source of Funds: 100% General Funds.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeffrey Meyers". The signature is written in a cursive style with a large initial "J".

Jeffrey A. Meyers
Commissioner



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doi

Denis Goulet
Commissioner

May 30, 2019

Jeffrey A. Meyers, Commissioner
Department of Health and Human Services
State of New Hampshire
129 Pleasant Street
Concord, NH 03301

Dear Commissioner Meyers:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a sole source contract with Eckerd Youth Alternatives, Inc. d/b/a Eckerd Connects of Owings Mills, MD as described below and referenced as DoIT No. 2019-098.

This is a request to enter into a contract for the procurement of the Rapid Safety Feedback ® services (Mindshare Technology). This program assists identifying children who are at the highest risk of abuse and neglect to mitigate the risk of repeat maltreatment from caregivers, and to reduce child abuse and neglect fatalities. The vendor will host, maintain and support a dedicated, secure Web Portal to provide the Department with twenty-four (24) hour technical support and access to the Web Portal and the reports it generates.

The amount of the contract is not to exceed \$216,000.00, and shall become effective July 1, 2019 or upon the date of Governor and Executive Council approval, whichever is later, through June 30, 2021.

A copy of this letter should accompany the Department of Health and Human Services' submission to the Governor and Executive Council for approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Denis Goulet", with a large, stylized flourish extending from the end of the signature.

Denis Goulet

DG/kaf
DoIT #2019-097

cc: Bruce Smith, IT Manager, DoIT

Subject: SS-2020-DCYF-01-RSFEC


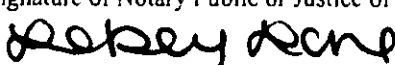
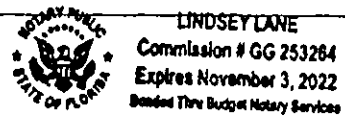
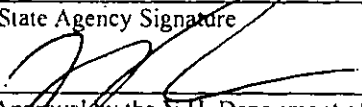
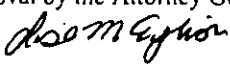
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Eckerd Youth Alternatives, Inc. d/b/a Eckerd Connects		1.4 Contractor Address 100 N. Starcrest Drive, Clearwater, FL 33765	
1.5 Contractor Phone Number 727-461-2990	1.6 Account Number 05-095-042-421010-29600000	1.7 Completion Date June 30, 2021	1.8 Price Limitation \$216,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory David Dennis, President	
1.13 Acknowledgement: State of Florida , County of Pinellas On May 30, 2019 , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace Lindsey Lane Notary			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Joseph P. L..., Director DCYF	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: June 4, 2019			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

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

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

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

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

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

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

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

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

7. PERSONNEL.

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

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

Agreement. This provision shall survive termination of this Agreement.

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

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

14. INSURANCE.

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

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

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

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

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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



Exhibit A

Scope of Services

1. Provisions Applicable to All Services

- 1.1. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.2. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2021, and the Department shall not be liable for any payments for services provided after June 30, 2021, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 biennia.
- 1.3. For the purposes of this Agreement, the Department has identified Eckerd Youth Alternatives, Inc. as a Contractor, in accordance with 2 CFR 200.0. et seq.
- 1.4. This Agreement terminates and supersedes the Memorandum of Agreement approved by the Governor and Executive Council on June 7, 2017, Item #11B, through the Department's contract with Casey Family Programs, Inc.

2. Definitions

- 2.1. **Department** means the New Hampshire Department of Health and Human Services, Division for Children, Youth and Families ("DCYF").
- 2.2. **Contractor** means Eckerd Youth Alternatives, Inc. d/b/a Eckerd Kids, a Florida nonprofit corporation.
- 2.3. **Subcontractor** means Mindshare Consulting Group, LLC, a Florida not-for-profit organization that the Contractor subcontracts with under this Agreement.
- 2.4. **Confidential Information** means the definition in Exhibit K, which is attached hereto and incorporated by reference herein.
- 2.5. **Eckerd Rapid Safety Feedback®** means a program developed by Eckerd Kids that utilizes predictive analytics to help identify child welfare cases of the highest probability of a serious injury or death and identifying critical case practices, that when performed by the Department to applicable standards, will greatly assist in keeping the child safe. The Rapid Safety Feedback® model is dependent upon proprietary web-based software called Mindshare and the Contractor subcontracts with Mindshare to provide this service.
- 2.6. **Eckerd Rapid Safety Feedback® Community of Practice** means the Department participating in quarterly fidelity review and sharing information and reports with the Contractor.
- 2.7. **Fidelity Review** means a review by the Contractor and its subcontractor, to ensure the Department is implementing Eckerd Rapid Safety Feedback® according to established practices.
- 2.8. **CCWIS/SACWIS** means the Department's statewide automated child welfare information system, including data extract for district offices.

A handwritten signature in black ink, appearing to be a stylized name or set of initials.



Exhibit A

- 2.9 **Web Portal** means a website and related technology that is designed to read CCWIS/SACWIS information, perform automated analysis, and generate reports for use to implement and support Eckerd Rapid Safety Feedback®.
- 2.10. **Portal Terms** means the website usage terms available on the Portal that sets forth the terms and conditions under which the Department may use the Portal.
- 2.11. **QA Staff** means Department Quality Assurance staff member who does not carry a caseload.

3. **Scope of Services**

- 3.1. The Contractor, utilizing its subcontract with proprietary software entity Mindshare, shall host, maintain and support a dedicated, secure Web Portal with a goal of providing the Department with twenty-four (24) hour technical support and access to the Web Portal and the reports it generates. The Web Portal shall:
 - 3.1.1 Enable the Department to conduct statistical analysis of Child Abuse Investigations where the outputs of the predictive model are accessible for daily use;
 - 3.1.2 Contain outputs that include a prediction across live data, a cross tabulation of all findings from the historical data set, and a data worksheet allowing the User to navigate to investigation/case/participant detail as it pertains to the data provided, combined with the outputs of the modeling.
 - 3.1.3 Include support for a quality assurance survey in which questions may be imported into the survey and applied to any identified victim of child abuse or neglect at any time. Reports shall also be included.
 - 3.1.4 Provide ongoing maintenance of the predictive models to periodically incorporate ongoing case work.
- 3.2. The Contractor shall adapt the Web Portal to create reports that provide a customized predictive data sample of prioritized cases for review by the Department. The Contractor shall provide additional reports as mutually agreed upon by the Contractor and the Department.
- 3.3. The Contractor shall provide training to the Department on review completion, portal entry, teaming techniques, and action item tracking to support the Department's implementation of Eckerd Rapid Safety Feedback®.
- 3.4. The Contractor shall provide Department personnel with access to the Eckerd Rapid Safety Feedback® practice guide for use in connection with the Department's implementation and offer same day technical assistance from case review staff experienced in the review process.
- 3.5. The Contractor shall perform quarterly, on-site two (2) day fidelity reviews and coordinate sharing of best practices across jurisdictions through the Eckerd Rapid Safety Feedback® Community of Practice. Each fidelity review shall be conducted to:
 - 3.5.1. Allow for direct observation of the DCYF safety coaching process from start to finish, including sample selection through action item tracking;
 - 3.5.2. Review case review results;
 - 3.5.3. Identify trends in interrater reliability;
 - 3.5.4. Ensure documentation is occurring according to standards.



Exhibit A

- 3.5.5. Complete fidelity tools and comprehensive fidelity reports for site visits.
- 3.6. The Contractor shall provide on-site training of newly hired QA staff and DCYF staff identified as fidelity coaches/reviewers. Training shall be scheduled immediately before or after the planned quarterly fidelity reviews.
- 3.7. The Contractor shall provide a minimum of monthly case review coaching calls to Department staff. For each newly hired DCYF Quality Assurance staff, the Contractor shall provide up to three (3) coaching sessions, which include remote observation via conference call or WebEx.
- 3.8. The Contractor shall provide consultation on the review and analysis of case practice change trend data and technical assistance to integrate case practice systemic findings into existing/emerging DCYF Continuous Quality Improvement (CQI) processes.
- 3.9. The Contractor agrees that the Confidential Data obtained under this Agreement may not be used for any other purposes that are not indicated in this Agreement. The Contractor shall ensure that it, and its subcontractor, comply with Exhibit K of this Agreement, entitled "DHHS Information Security Requirements," which is attached hereto and incorporated by reference herein.
- 3.10. All data associated in any way with the Web Portal will be owned solely by the Department.
- 3.11. The Contractor shall ensure that it, and its subcontractor, will not authorize or provide access to credentials to any person other than Department or Contractor employees who have a need for such access or credentials, without the Department's prior written consent.
- 3.12. The Contractor shall ensure that it, and its subcontractor, will not provide administrative level access to the Web Portal or any database or data storage system used by the Web Portal to any person without the Department's prior written consent.
- 3.13. Each End User of the Contractor, and its subcontractor, who has access to the Web Portal will execute the attached End User Agreement (EUA), Attachment A, prior to accessing the CCWIS/SACWIS or extracted data, which confirms his/her duty to maintain all data and information relating to cases referenced in the Web Portal as strictly confidential.
- 3.13.1. The Contractor must have a signed EUA for all of its End Users on file with DHHS, prior to DHHS sharing data with User. This shall apply to any new User during the contract period. In addition, the Contractor shall notify the Department when a User is terminated or no longer needs access, so that access may be terminated.
- 3.13.2. The EUA must be signed and returned to DHHS to track disclosures of DHHS Data and to ensure that the End User only uses the DHHS Data and any derivative data for the purposes provided under the terms of this Agreement.
- 3.14. The Department will allow the Contractor, and its subcontractor, to access the Department's CCWIS/SACWIS system and/or extracted data on a daily basis for the

New Hampshire Department of Health and Human Services
Eckerd Youth Alternatives, Inc. d/b/a Eckerd Kids



Exhibit A

sole purpose of implementing Eckerd Rapid Safety Feedback® for the Department. The Department will provide access to the client files of clients that died due to maltreatment and/or clients that experienced serious maltreatment while known to the Division for Children, Youth and Families.

- 3.15. The Contractor will work with the Department to establish an agreed exchange protocol and accommodate the DCYF data exchange method and data packaging formats should portions of a new CCWIS/SACWIS that affect the RSF data exchange become operational during the contract period. The exchange protocol will include the specifications for the initial historical data package. The data elements to be shared are attached hereto and incorporated by reference herein as Attachment B.
- 3.16. The Department will provide sufficient reviewers to the Eckerd Rapid Safety Feedback® program, which will be dedicated QA staff that are not investigating or managing the case or providing supervision to the front line workers assigned to the case. Reviewers will successfully complete Eckerd Rapid Safety Feedback® training (provided at no cost to the Department) prior to completing case reviews.
- 3.17. The Department will participate in a quarterly Fidelity Review, sharing lessons learned with other jurisdictions, and report the results observed after implementation of Eckerd Rapid Safety Feedback®.
- 3.18. The Department will enter all case reviews into the Web Portal to provide automated tracking functionality, dashboards, and data for the continuous improvement of existing predictive data sets for the Eckerd Rapid Safety Feedback® implementation in New Hampshire.
- 3.19. The Department will provide the Contractor with written notice of any lawsuit of claim filed or asserted against the Department alleging liability in connection with Eckerd Rapid Safety Feedback®.
- 3.20. All CCWIS/SACWIS data will be deemed and treated as Confidential Information of the Department. All intellectual property rights in and to the CCWIS/SACWIS data will remain the sole property of the Department. By making CCWIS/SACWIS data available to the Contractor and its subcontractor, the Department grants to the Contractor a limited, non-exclusive, royalty-free, fully-paid-up license for the term of this Agreement to use the CCWIS/SACWIS data, but solely for the purpose of implementing Eckerd Rapid Safety Feedback® for the Department, providing the Portal and related reports, and improving Eckerd Rapid Safety Feedback®.
- 3.21. All intellectual property (IP) rights in and to Eckerd Rapid Safety Feedback®, the Web Portal and its related software and documentation, the reports generated by the Web Portal, the Eckerd Rapid Safety Feedback® training materials, the Eckerd Rapid Safety Feedback® safety guide (including without limitation for all of the foregoing, all related inventions, processes, improvements, trade secrets, algorithms, works of authorship, trademarks and service marks (jointly "Pre-existing IP") is and will remain the sole property of the Contractor, its subcontractor, and their licensors. All pre-existing IP will be deemed and treated as Confidential Information. The Contractor hereby grants to the Department a limited, non-exclusive, royalty-free, fully-paid-up license for the term of this Agreement to use their pre-existing IP, but solely for the purpose of implementing Eckerd Rapid Safety Feedback® for the Department and subject to this Agreement and Portal Terms.



Exhibit A

- 3.22. By using the Web Portal, the Department agrees to abide by the Web Portal terms and any applicable laws, including without limitation laws relating to privacy and personal identifying information relating to children.
- 3.23. At the sole discretion of the Department, employees of the Contractor and its subcontractor, may be subject to user background checks, based on the information systems accessed or types of data provided. If requested, the Contractor shall submit the required background checks to the Department in a timely manner.
- 3.24. The Contractor and its subcontractor shall use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and in accordance with the attached Business Associate Agreement (Exhibit I), which has been executed by the parties and is incorporated by reference herein.

4. Performance Measures

- 4.1. The services provided by the Contractor shall meet the Recommendation 19 from the Quality Assurance Review of DCYF that was made final in 2016, to re-conceptualize the process of identifying safety threats and risks of harm associated with incoming reports of maltreatment.
- 4.2. The Contractor shall assist the Department in meeting mandates for the Program Improvement Plan from the Child and Family Services Review, which identifies the need for improved assessment and management of the safety and risk for children and youth. If mandates for improvement are not met, the Department is subject to financial penalties.

5. Deliverables

- 5.1. The following deliverables shall be required:
 - 5.1.1. Provide training to the Department on review completion, portal entry, teaming techniques, and action item tracking to support the Department's implementation of Eckerd Rapid Safety Feedback® within six (6) months of the effective date of this agreement.
 - 5.1.2. Provide quarterly, on-site two (2) day fidelity reviews and coordinate sharing of best practices across jurisdictions through the Eckerd Rapid Safety Feedback® Community of Practice in the months of July, October, January, and April for both years of this agreement, including on-site training of newly hired QA staff and DCYF staff identified as fidelity coaches/reviewers, immediately before or after the planned quarterly fidelity reviews.

6. Renewal

- 6.1. The Department reserves the right to extend this agreement for up to four (4) additional years, contingent upon satisfactory delivery of services, available funding, written agreement of the parties and approval of the Governor and Executive Council.

ATTACHMENT A
END USER AGREEMENT

By requesting and receiving approval to access the DHHS Data:

- I understand that I will have direct and indirect access to confidential information in the course of performing my work activities.
- I agree to protect the confidential nature of all information to which I have access.
- I understand that there are state and federal laws and regulations that ensure the confidentiality of an individual's information.
- I understand that there are DHHS policies and agency procedures with which I am required to comply related to the protection of individually identifiable information.
- I understand that the information I will have direct and indirect access to shall not be shared outside the DHHS Scope of Work or related signed Contract, Memorandum of Understanding and/or Information Exchange Agreement/Data Sharing Agreement agreed upon.
- I understand that my SFTP or any information security credentials (Contactor user name and password) should not be shared with anyone. This applies to credentials used to access the site directly or indirectly through a third party application.
- I will not disclose or make use of the identity of any person or establishment discovered inadvertently. I will report such discoveries *within twenty four (24) hours* to: **DHHSInformationSecurityOffice@dhhs.nh.gov** and **DHHSPrivacyOfficer@dhhs.nh.gov** and the DHHS Program Manager Contact.
- I will not imply or state, either in written or oral form, that interpretations based on the data are those of the original data sources or the State of New Hampshire unless the data user and DHHS are formally collaborating.
- I will acknowledge, in all reports or presentations based on these data, the original source of the data.
- I understand how I am expected to ensure the protection of individually identifiable information. Should questions arise in the future about how to protect information to which I have access, I will immediately notify my supervisor.
- I have been informed that this signed agreement will be retained on file for future reference.

Signature

Date

Printed Name

Title

ATTACHMENT B**DATA ELEMENTS****I. Data Elements Involved**

Data elements involved in the project are amassed from twenty-four (24) data tables extracted from NH Bridges through the Enterprise Data Warehouse (EDW). These tables may be divided into five categories around:

- Referrals
- Case and Case Information
- Service and Placement Information
- Client Information and Relations
- Code Key Information

What follows is a listing of the tables and a brief description of its contents organized within the five categories laid out above.

Table Name	Table Description	Table Category
IAM_RISK_ASSESSMENT_TBL	IAM Risk Assessment.	Referrals
IAM_SAFETY_ASSESSMENT_TBL	IAM 24 Hour Safety Assessment.	Referrals
IAM_SAFETY_REVIEW_TBL	IAM Safety Review.	Referrals
TALLEGATION	This table contains allegation information connected with a specific Referral.	Referrals
TINTERVIEW	This table contains information on the contacts made with all of the clients and collaterals during the Referral Assessment process.	Referrals
TINVESTIGATION	This table contains information collected during the Assessment investigation.	Referrals
TPERPETRATOR	This table contains information about the alleged perpetrator associated with a Referral allegation.	Referrals
TREF_CLIENT	This table contains information about each client in a specific Referral.	Referrals
TREF_FAMILY_SAFETY	This table contains information around family identified in the referral.	Referrals
TREFERRAL	This table contains information about a DCYF referral – abuse/neglect, CHINS, or I&R.	Referrals
TCAS_CLIENT	This table provides information about the clients that are involved in a given case.	Case and Case Information
TCAS_CNTAC	This table contains information about contacts made by the worker with any client or collateral in the case.	Case and Case Information
TCAS_HISTORY	This table maintains the dates and reasons for each case opening and closing.	Case and Case Information

TCASE	This table provides information about each DCYF case.	Case and Case Information
TCCNT_PARTICIPANT	This table maintains information on the participants of a case contact.	Case and Case Information
TCHLD_UNPD_PLACEMENT	This table contains historic information about a child's unpaid placements.	Service/Placement
TCL_HMRMVL_HIST	This table contains information on all of the occurrences of the child's being removed from his home by DCYF.	Service/Placement
TCL_SRVC	This table holds the information about authorizations for a resource to provide services to a child at a specified rate, number of units and time frame, the generation of which initiates the claims process.	Service/Placement
CLIENT_MEDICAID_AUTH_TBL	This table provides information about specific Medicaid service types authorized.	Service/Placement
IAM_HOUSEHOLD_TBL	Households for which IAM tools are completed.	Client Information and Relationships
TCL_ADDR	This table contains information about the client's addresses.	Client Information and Relationships
TCL_RELTN	This table contains information about the client's relationship with an associated client.	Client Information and Relationships
TCLIENT	This gives information about the individual client	Client Information and Relationships
TCD_TBLVALUE	This table provides a cross-reference of pick list code values to their long and short description so that other tables can store the code value rather than lengthy narratives. The codes are translated to the narratives on the user interface.	Code Key

The specific data elements per each table are further broken down in the data table mapping document.

Attachment B Data Elements

- For all tables where there is an extension of CD or TYP you would link this table via the element name and the SYS_ID for an explanation of the code (CD) or type (TYP).

TCD_TBLVALUE
CAT_ID
INACTV_SW
LOGICAL_TBL_DSD_NM
LONG_DESC_TXT
OTH_TYP_CDE
SHORT_DESC_TXT
SORT_COL_NBR
SYS_ID
USR_DEFND_LOGCL

NOTE:

- Only some links are shown in the following data model. Tables from “Referral” “Case Information” and “Service/Provider” can be linked to each other.
 - For all tables where there is a CL_ID you can link all like elements from any table (i.e. Perp_CL_ID from the TPerpetrator table to CL_ID in the TREF_Client table)
 - For all tables where there is a REFER_ID element it can be linked to any table where there is a REFER_ID element.
 - For all tables where there is a Case_ID element it can be linked to any table where there is a Case_ID element (i.e. ASSOC_CAS_ID from TCASE table).
- For all applicable tables the element LST_UPT_DT was added. This is not shown in the data model. This is only pertinent to NH in order to provide data during a specified time period and will not be used to link tables.**

ACPT_REFER_SW
 APRV_DT
 CAS_ID
 CMNT_TXT
 CRS_NOTES_TXT
 DOMST_VIOL_SW
 INCID_CNTY_TYP_CDE
 PHYS_MENT_IMPAIR_CARETAKE_SW
 PHYS_MENT_IMPAIR_CHLD_SW
 PRIOR_REP_NBR
 PRIOR_RESP_CAT_TYP
 RCMND_LNK_CAS_REFR
 REFER_DT
 REFER_ID
 REFER_TIME
 REFER_TIME_TYP_CD
 RESN_FOR_SCRN_OUT
 SCRN_OUT_REFER_CD
 SUBST_ABUS_SW
 WHAT_FAMILY_LK_TXT
 WHAT_HAPPENED_TXT
 WHEN_HAPPENED_TXT
 WHEN_LST_SEEN_TXT
 WHERE_CHLD_NOW_TXT
 WHO_DID_IT_TXT
 WHO_ELSE_TOLD_TXT

TREF_CLIENT
 CHILD_SW
 CL_ID
 IN_HOUSEHLD_SW
 PRIM_REF_ROLE_CD
 REFER_ID

TINVESTIGATION
 ACPT_INVEST_CAT_CD
 BEGIN_DT
 CASE_APPROVAL_SW
 CAS_ID
 CLOSE_APRV_DT
 INVEST_CLOSE_NOTES
 INVEST_NOTES
 LICENSED_FOSTER_HOME_IND
 OVERL_DISP_TYP_CDE
 PERTINENT_INFO_TXT
 RCMND_LNK_CAS_INVST
 REFER_ID

TALLEGATION
 ABS_NGLCT_CAT_TYP
 ABS_NGLCT_CHR_TYP
 ABS_NGLCT_SPCF_TXT
 ABUS_NGLCT_TYP_CDE
 ACCIAL_SW
 AGE_INJR_TXT
 CL_ID
 INJR_SPCF_TXT
 REFER_ID
 RPT_LAWENE_SW
 SEQ_NBR

TINTERVIEW
 CL_ID
 CNTAC_SUMRY_TXT
 CNTAC_TYP_CDE
 INTERVW_DT
 INTERVW_TM
 INTRWEE_CAT_TYP
 INTRVW_TIME_TYP_CD
 REFR_ID
 SEQ_NBR
 WHAT_HAPPENED_TXT

TCL_RELTN
 CL_ID
 CL_RELTN_ROLE_TYP
 END_DT
 PRFC_SW
 RELTN_CL_ID
 SME_HSHLD_TYP_CDE
 STRT_DT

TCLIENT
 BRTH_DT
 CL_ID
 DTH_DT
 GNDR_TYP_CDE
 HISPANIC_ETHNICITY_TYP
 MULTI_ETHNICITY_CODES
 PRIM_ETHNCTY_TYP
 PRIM_TRIB_TYP_CDE
 SEC_ETHNCTY_TYP

IAM_HOUSEHOLD_TBL
 CAS_ID
 IAM_HOUSEHOLD_SEQ
 PRIMARY_HOUSEHOLD_IND
 REFER_ID

TCL_ADDR
 CL_ID
 CNTY_TYP_CDE
 CTY_NME
 EFF_END_DT
 EFF_STRT_DT
 ZIP_NBR

TPERPETRATOR
 ALLEG_SEQ_NBR
 CENTRAL_REGISTRY_IND
 CENT_REG_EXPUNGE_DT
 CENT_REG_EXPUNGE_IND
 CENT_REG_INCLUSION_DT
 INVSTGT_DISP_TYP
 PERP_CL_ID
 PERP_IN_CENT_REG_IND
 REFER_ID
 VCTM_CL_ID

IAM_SAFETY_ASSESSMENT_TBL
 BASIC_CARE_ADEQUATE_IND
 BASIC_CARE_INADEQUATE_IND
 CRGVR_FEARS_TO_HARM_IND
 DIAGNOSED_CONDITION_IND
 DISCIPLINE_EXCESSIVE_IND
 DOM_VIOL_IND
 FAILURE_TO_PROTECT_IND
 HARM_OR_DANGER_IND
 HLTH_DIMINISHED_MNTL_IND
 HLTH_DIMINISHED_PHYS_IND
 HOUSING_HAZARDOUS_IND
 IAM_HOUSEHOLD_SEQ
 INJURY_EMOTIONAL_IND
 INJURY_PHYSICAL_IND
 INJURY_SUSPICIOUS_IND
 INJURY_THREAT_IND
 SEX_ABUS_IND
 SEX_ABUS_SUSPICIOUS_IND
 SFTY_NETWORK_NONE_IND
 SUPERVISION_INADEQUATE_IND

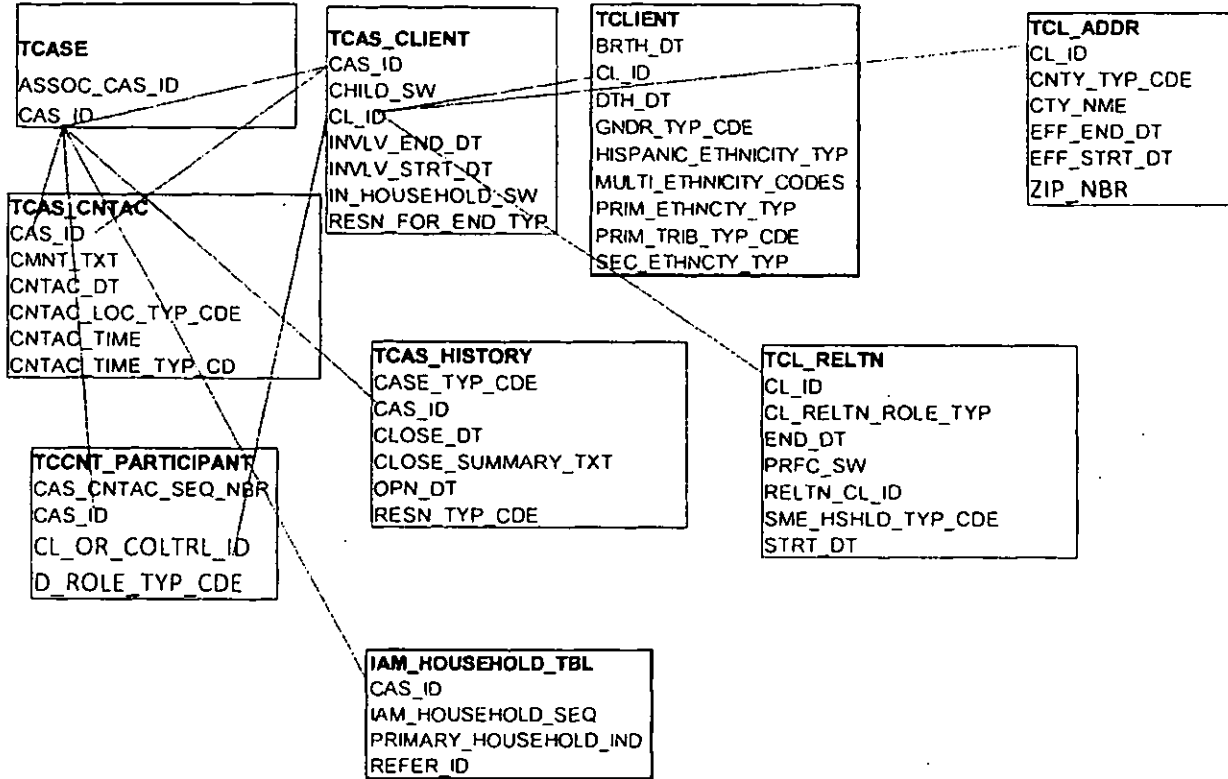
IAM_RISK_ASSESSMENT_TBL
 DECISION_TXT
 FCTR_CHLD_ABUS_DELIQ_IND
 FCTR_CHLD_ABUS_DEVMNTL_DIS_IND
 FCTR_CHLD_ABUS_MNTL_HLTH_IND
 FCTR_CHLD_ABUS_NONE_APPLY_IND
 FCTR_CHLD_NGL_DEVMNTL_DIS_IND
 FCTR_CHLD_NGL_MED_FRAGILE_IND
 FCTR_CHLD_NGL_NONE_APPLY_IND
 FCTR_CHLD_NGL_TOXICOLOGY_IND
 FCTR_CRGVR2_ALCOHOL_USE_IND
 FCTR_CRGVR2_DRUG_USE_IND
 FCTR_CRGVR2_SUBST_ABUS_CDE
 FCTR_CRGVR_ABUS_HIST_CDE
 FCTR_CRGVR_ALCOHOL_USE_IND
 FCTR_CRGVR_CHAR_NONE_APPLY_IND
 FCTR_CRGVR_DOMINEERING_IND
 FCTR_CRGVR_DOM_VIOL_CDE
 FCTR_CRGVR_DRUG_USE_IND
 FCTR_CRGVR_EXCESS_DISCIP_IND
 FCTR_CRGVR_INSUF_EMOT_SUPP_IND
 FCTR_CRGVR_MNTL_HLTH_CDE
 FCTR_CRGVR_SUBST_ABUS_CDE
 HOMELESS_DURING_INCIDENT_IND
 HOUSING_NONE_APPLY_IND
 HOUSING_UNSAFE_IND
 IAM_HOUSEHOLD_SEQ

IAM_SAFETY_REVIEW_TBL
 BASIC_CARE_ADEQUATE_IND
 BASIC_CARE_INADEQUATE_IND
 CRGVR_FEARS_TO_HARM_IND
 DIAGNOSED_CONDITION_IND
 DISCIPLINE_EXCESSIVE_IND
 DOM_VIOL_IND
 FAILURE_TO_PROTECT_IND
 HARM_OR_DANGER_IND
 HLTH_DIMINISHED_MNTL_IND
 HLTH_DIMINISHED_PHYS_IND
 HOUSING_HAZARDOUS_IND
 IAM_HOUSEHOLD_SEQ
 IAM_SAFETY_REVIEW_SEQ
 INJURY_EMOTIONAL_IND
 INJURY_PHYSICAL_IND
 INJURY_SUSPICIOUS_IND
 INJURY_THREAT_IND
 SEX_ABUS_IND
 SEX_ABUS_SUSPICIOUS_IND
 SFTY_NETWORK_NONE_IND
 SUPERVISION_INADEQUATE_IND

TREF_FAMILY_SAFETY
 DOMST_VIOL_SW
 PHYS_MENT_IMPAIR_CHLD_SW
 PHYS_MENT_IMPAIR_CARETAKER_SW
 REFER_ID
 REFERRALS_MADE_IND
 SAFETY_SUMMARY
 SUBST_ABUS_SW

TCL_HMRMVL_HIST
 CHLD_RMVD_FR_TYP
 CL_ID
 PETITION_FILING_DT
 REFER_ID
 REMOVAL_TYP_CDE
 RMVD_FR_PRFC_DT
 RTRN_DT

Referral



CASE INFORMATION

TCLIENT
BRTH_DT
CL_ID
DTH_DT
GNDR_TYP_CDE
HISPANIC_ETHNICITY_TYP
MULTI_ETHNICITY_CODES
PRIM_ETHNCTY_TYP
PRIM_TRIB_TYP_CDE
SEC_ETHNCTY_TYP

TCL_SRVC
APPROVAL_SW
AUTH_NBR
AUTH_STAT_TYP_CDE
BGN_DT
CAS_ID
CAS_TYP_CDE
CL_ID
END_DT
PLCMNT_REF_NBR
SRVC_TYP_CDE

TCHLD_UNPD_PLACEMENT
CAS_D
CL_ID
ENTRY_DT
EXIT_DT
TYP_OF_CARE

CLIENT_MEDICAID_AUTH_TBL
APPROVAL_SW
AUTH_STAT_TYP_CDE
CAS_ID
CLIENT_MEDI_AUTH_NBR
CL_ID
MEDI_AUTH_BGN_DT
MEDI_AUTH_END_DT
SRVC_TYP_CDE

SERVICE/PROVIDER



New Hampshire Department of Health and Human Services

Exhibit B

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation, for the services provided pursuant to Exhibit A, Scope of Services.
2. This Agreement is funded with one-hundred percent (100%) General Funds.
3. Payment for said services shall be made monthly as follows:
 - 3.1. Payment shall be made to the Contractor at the rate of \$9,000 per month.
 - 3.2. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month.
 - 3.3. The Contractor shall ensure the invoice is completed, signed, dated and returned to the State in order to initiate payment.
 - 3.4. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.
4. The Contractor shall keep detailed records of their activities related to State-funded programs and services and have records available for Department review, as requested.
5. The final invoice shall be due to the State no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
6. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed to dcyfinvoices@dhhs.nh.gov, or invoices may be mailed to:

Financial Administrator
Department of Health and Human Services
Division of Children, Youth and Families
129 Pleasant St.
Concord, NH 03301
7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.
8. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the services have not been satisfactorily completed in accordance with the terms and conditions of this agreement.

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



SPECIAL PROVISIONS

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

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

Exhibit C - Special Provisions

Contractor Initials 

New Hampshire Department of Health and Human Services
Exhibit C



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

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

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

Exhibit C – Special Provisions

Contractor Initials 

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



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

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

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



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

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.
18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

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

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

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

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

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

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

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

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



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

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

20. Contract Definitions:

- 20.1. **COSTS:** Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.
- 20.2. **DEPARTMENT:** NH Department of Health and Human Services.
- 20.3. **PROPOSAL:** If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the services and/or goods to be provided by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.
- 20.4. **UNIT:** For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.
- 20.5. **FEDERAL/STATE LAW:** Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from time to time.
- 20.6. **SUPPLANTING OTHER FEDERAL FUNDS:** Funds provided to the Contractor under this Contract will not supplant any existing federal funds available for these services.



REVISIONS TO STANDARD CONTRACT LANGUAGE**1. Revisions to Form P-37, General Provisions**

1.1. Section 4, 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.

1.2. Section 10, Termination, is amended by adding the following language:

10.1 Either party may unilaterally terminate this Agreement at any time for any reason, thirty (30) days after giving the other party written notice that the party is exercising its option to terminate the Agreement, or at a later date specified in the notice. However, in no instance shall such a termination be effective prior to the return or destruction of all Confidential Data provided to the Contractor by the Department or derived from the Confidential Data obtained under the terms of this Agreement. The Contractor agrees that it has the duty to protect and maintain the privacy and security of Confidential Data and that duty must continue in full force and effect until such Confidential Data is returned and/or destroyed. For any Confidential Data or derivative data that destruction is not feasible for, the privacy and security requirements of this Agreement must survive the termination or expiration of this Agreement.

10.2 If the State determines that there was or may have been an Incident or Breach of the Confidential Data or individually identifiable derivative data or information by the User, its End Users, subcontractors and/or agents that violates the terms of this Agreement, DHHS may, in its sole discretion, immediately and unilaterally terminate this Agreement upon notice to the Contractor, and immediately revoke all access to the Bridges System. The Contractor agrees to cease using and return and/or destroy all Confidential Data and derivatives therefrom in its possession, End Users' subcontractors'/agents' possession, immediately upon notice of termination for an Incident or Breach. User agrees that it has the duty to protect and maintain the privacy and security of Confidential Data and that duty

Exhibit C-1 – Revisions/Exceptions to Standard Contract Language Contractor Initials

A handwritten signature in black ink, appearing to be initials or a stylized name, written over a horizontal line.

**New Hampshire Department of Health and Human Services
Exhibit C-1**



must continue in full force and effect until such data is returned and/or destroyed. For any such data that return/destruction is not feasible, the privacy and security requirements of this Agreement shall survive the termination.

10.3 In the event of an early termination for any reason, the Contractor shall, within fifteen (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 the return and/or destruction of Confidential data.

10.4 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

2. Revisions to Standard Exhibits

2.1 Exhibit C, Special Provisions

2.1.1 Paragraph 1, Compliance with Federal and State Laws, is deleted in its entirety.

2.1.2 Paragraph 2, Time and Manner of Determination, is deleted in its entirety.

2.1.3 Paragraph 3, Documentation, is deleted in its entirety.

2.1.4 Paragraph 4, Fair Hearings, is deleted in its entirety.

2.1.5 Paragraph 6, Retroactive Payments, is deleted in its entirety.

2.1.6 Paragraph 7, Conditions of Purchase, and its subparagraphs, are deleted in their entirety.

2.1.7 Paragraph 8, Maintenance of Records; Subparagraph 8.1, Fiscal Records, is replaced as follows:

8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, and requisitions for materials.

Subparagraphs 8.2 and 8.3 of Paragraph 8 are deleted in their entirety.

2.1.8 Paragraph 15, Operation of Facilities, is deleted in its entirety.

2.1.9 Paragraph 17, Limited English Proficiency, is deleted in its entirety.

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



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
 - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
 - 1.2.1. The dangers of drug abuse in the workplace;
 - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
 - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
 - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
 - 1.4.1. Abide by the terms of the statement; and
 - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

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



has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
 - 1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - 1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
 - 1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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

100 North Starcrest Drive, Clearwater, Pinellas County, FL 33765

18938 North Dale Mabry Highway, Suite 102, Lutz, Hillsborough County, FL 33548

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

Vendor Name: Eckerd Youth Alternatives, Inc.

Name: David Dennis
Title: President

5/30/19

Date

Vendor Initials
Date 5/30/19



New Hampshire Department of Health and Human Services
Exhibit E

CERTIFICATION REGARDING LOBBYING

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

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

- Programs (indicate applicable program covered):
- *Temporary Assistance to Needy Families under Title IV-A
 - *Child Support Enforcement Program under Title IV-D
 - *Social Services Block Grant Program under Title XX
 - *Medicaid Program under Title XIX
 - *Community Services Block Grant under Title VI
 - *Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-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.

Vendor Name: Eckerd Youth Alternatives, Inc.

Name: David Dennis
Title: President

5/30/19

Date

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



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

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

INSTRUCTIONS FOR CERTIFICATION

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

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



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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

- 13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
 - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
 - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
- 14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Vendor Name: Eckerd Youth Alternatives, Inc.

Name: David Dennis
Title: President

5/30/19
Date

Vendor Initials
Date 5/30/19

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



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

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

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

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

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

Exhibit G

Vendor Initials

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

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



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

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

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

Vendor Name: Eckerd Youth Alternatives, Inc.

Name: David Dennis
Title: President

5/30/19

Date

Exhibit G

Vendor Initials

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

New Hampshire Department of Health and Human Services
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 Vendor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

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

Vendor Name: Eckerd Youth Alternatives, Inc.

Name: David Dennis
Title: President

5/30/19

Date

Vendor Initials DD

Date 5/30/19



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

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Vendor Initials Date 5/30/19

New Hampshire Department of Health and Human Services



Exhibit I

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

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

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



Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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

New Hampshire Department of Health and Human Services



Exhibit I

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

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

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Vendor Initials

Date 5/30/19



Exhibit I

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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

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Vendor Initials Date 5/30/19

New Hampshire Department of Health and Human Services



Exhibit I

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

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

Department of Health and Human Services
 The State

 Signature of Authorized Representative
 Joseph Pilsen

 Name of Authorized Representative
 Director DCYF

 Title of Authorized Representative
 6/4/19

 Date

Eckerd Youth Alternatives, Inc.
 Name of the Vendor

 Signature of Authorized Representative
 David Dennis

 Name of Authorized Representative
 President

 Title of Authorized Representative
 5/30/19

 Date

Vendor Initials DD

Date 5/30/19

**New Hampshire Department of Health and Human Services
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:
 - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
 - 10.2. Compensation information is not already available through reporting to the SEC.

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

The Vendor 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 Vendor 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.

Vendor Name: Eckerd Youth Alternatives, Inc.

5/30/19

Date

Name: David Dennis

Title: President

New Hampshire Department of Health and Human Services
Exhibit J



FORM A

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

1. The DUNS number for your entity is: 08-068-1158
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO YES

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

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

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

NO YES

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

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

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

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

Vendor Initials DD

Date 5/30/19

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



A. Definitions

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

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

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

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

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

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

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

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

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

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

II. METHODS OF SECURE TRANSMISSION OF DATA

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

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

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

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

A. Retention

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

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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

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

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

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

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

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

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

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

V. LOSS REPORTING

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

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

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

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

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

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov