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

Nicholas A. Toumpas
Commissioner

Mary Ann Cooney
Associate Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9196 1-800-852-3345 Ext. 9196
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November 13, 2014

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

Sole Source

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Human Services, Bureau of Homeless and Housing Services to enter into **sole source** agreements with the vendors listed in the table below to provide Rapid Rehousing services to individuals and families at immediate risk of homelessness. These services will facilitate the movement of homeless individuals and families to permanent housing and maximum self-sufficiency through the Federal Continuum of Care program in an amount not to exceed \$190,518, effective January 1, 2015 upon Governor and Executive Council approval through December 31, 2015. The source of funding is 100% Federal Funds.

Vendor	Vendor Number	Area Served	Amount
Harbor Homes, Inc.	155358 - B001	Statewide	\$85,583
Southwestern Community Services,	177511 - P001	Cheshire and Sullivan Counties	\$104,935
			\$190,518

Funds to support this request are available in the following account for State Fiscal Year 2015, and are anticipated to be available for State Fiscal Year 2016, with the ability to adjust encumbrances without Governor and Council approval in each of the State Fiscal Years through the Budget Office if needed and justified.

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

Please see attachment for fiscal details.

EXPLANATION

This request is **sole source** because the US Department of Housing and Urban Development regulations require the Department to specify the vendor's names during the federal application process prior to the grant awards being issued. The Department has participated in over twenty (20) rounds of disbursing federal awards to local communities.

Rapid Rehousing grant awards are subject to the U.S. Department of Housing and Urban Development application and award process. Communities seeking funds from the U.S. Department of Housing and Urban Development Continuum of Care program must apply directly to the federal agency where their applications are scored by the federal program based on criteria set forth by the U.S. Department of Housing and Urban Development Continuum of Care program. The community-based agencies must follow this federal process to access the funds, which are distributed by the states.

Pursuant to these agreements, vendors will provide Rapid Rehousing services which include rental and leasing assistance in addition to paying for administrative costs associated with providing services to homeless individuals and families.

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

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

Should the Governor and Executive Council determine not to approve this request, outreach and transitional and permanent housing resources for people who are homeless may not be available in their communities resulting in an increase in demand for services placed upon the region's local welfare authorities. Further, an ongoing project may not be able to continue, causing twenty three (23) or more individuals and/or families to become homeless. People who are without housing and resources will resort to seeking shelter in places that are not fit for habitation, or will attempt to travel to shelters in other communities. This will increase the likelihood that people who are homeless will be in danger of injury or death, and will be cut off from basic supports for housing, health, education and treatment. Numerous jobs would also be lost since the shelter and/or resource agency may have to close its doors or drastically reduce staff.

Area served: Statewide

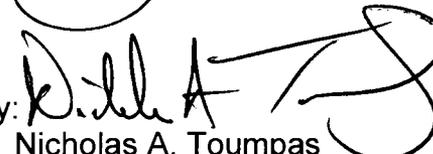
Source of funds: 100% Federal Funds from the U.S. Department of Housing and Urban Development Continuum of Care Program, Office of Community Planning and Development, Code of Federal Domestic Assistance Number (CFDA) #14.267.

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

Respectfully submitted,



Mary Ann Gooney
Associate Commissioner

Approved by: 
Nicholas A. Toumpas
Commissioner

CONTINUUM of CARE, RAPID REHOUSING FISCAL DETAILS

**Harbor Homes, Inc. (Vendor # 155358-B001), Federal Grant Number NH0070L1T001301
Area Served: Statewide**

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog. Svc.	42306040	2015	\$42,791.50
102-500731	Contracts for Prog. Svc.	42306040	2016	\$42,791.50
			Sub-total	\$85,583.00

**Southwestern Community Services, Inc. (Vendor # 177511-P001) Federal Grant Number
NH0074L1T001301, Area Served: Cheshire and Sullivan Counties**

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog. Svc.	42306040	2015	\$52,467.50
102-500731	Contracts for Prog. Svc.	42306040	2016	\$52,467.50
			Sub-total	\$104,935.00

Grand Total	\$190,518.00
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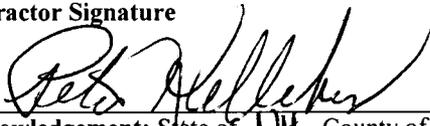
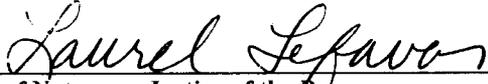
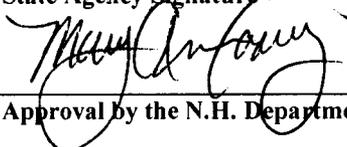
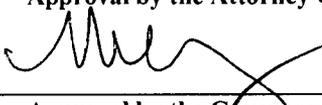
Subject: Continuum of Care Program - Rapid Rehousing

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services Office of Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Harbor Homes, Inc.		1.4 Contractor Address 45 High Street Nashua, NH 03060	
1.5 Contractor Phone Number (603) 881-8436	1.6 Account Number 05-95-42-423010-7927-102-500731	1.7 Completion Date December 31, 2015	1.8 Price Limitation \$85,583
1.9 Contracting Officer for State Agency Eric D. Borrin		1.10 State Agency Telephone Number (603) 271-9558	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Peter Kelleher, President & CEO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>11/14/14</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 			
1.13.2 Name and Title of Notary or Justice of the Peace  LAUREL A. LEFAVOR, Notary Public My Commission Expires September 22, 2015			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory MARY ANN COONEY Associate Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Megan A. Yapple - Attorney On: <u>11/24/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

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

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

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

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

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

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

Contractor Initials: 
Date: 10/15/14

8. EVENT OF DEFAULT/REMEDIES.

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

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

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

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

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

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

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

14. INSURANCE.

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

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

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

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

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

Contractor Initials:

Date:  10/15/14

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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



Exhibit A

SCOPE OF SERVICES

Continuum of Care Program

1. CONDITIONAL NATURE OF AGREEMENT
 - 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care Grant. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the Continuum of Care Grant.

2. SERVICES
 - 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, the Contractor shall provide a permanent housing program that shall serve nine (9) homeless individuals with disabilities.
 - 2.2. The goal of this program is to facilitate the movement of homeless individuals to permanent housing and maximum self-sufficiency.
 - 2.3. To be eligible for contract services, individuals must be homeless as defined in HUD regulations. The Contractor must obtain and retain appropriate documentation.
 - 2.4. The Contractor shall provide these services according to HUD regulations as outlined in Public Law 102-550, 24 CFR Part 578 Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Program interim rule, and other written HUD policies and directives.
 - 2.5. Each program participant shall have an employment assessment and employment goals included in the individual service plan, as appropriate.

3. PROGRAM REPORTING REQUIREMENTS
 - 3.1. The Contractor shall submit the following reports:
 - 3.1.1. Annual Performance Report: Within thirty (30) days after the Completion Date, an Annual Performance Report (APR) shall be submitted to the BHHS that summarizes the results of the Project Activities, showing in particular how the Project Activities have been performed. The Annual Performance Report shall be in the form required or specified by the State.
 - 3.1.2. Other Reports as requested by the State.
 - 3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Current NH HMIS policy can be accessed electronically through the following website: <http://www.nh-hmis.org>.

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Exhibit A

3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by the BHHS.

4. CONTRACT ADMINISTRATION

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

5. FINANCIAL

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

5.1.1. Operating expenses

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

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

5.1.2. Supportive services

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


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Exhibit A

- 5.1.2.2. Eligible costs include mental health services, case management services, salaries of Contractor staff providing supportive services, reasonable one-time moving costs (truck rental and hiring a moving company), child-care costs for establishing and operating child care, and providing child-care vouchers for children from families experiencing homelessness (including providing meals and snacks and comprehensive and coordinated developmental activities), education services, employment assistance and job training skills, housing search and counseling services, legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing), outpatient health services, transportation services, and utility deposits.
- 5.1.2.3. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.

5.1.3. Rental Assistance

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


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Exhibit A

- 5.1.3.7. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
 - 5.1.3.8. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and sub recipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid ReHousing program component must be tenant based rental assistance.
 - 5.1.3.9. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
 - 5.1.3.10. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
 - 5.1.3.11. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.
- 5.1.4. Administrative costs.
- 5.1.4.1. Administrative costs include: Preparing program budgets, schedules and amendments, developing systems for assuring compliance with program requirements, developing interagency agreements and agreements with sub recipients and contractors to carry out program activities, preparing reports and other documents related to the program for submission to HUD, evaluating program results against stated objectives, travel costs incurred for official business in carrying out the program, administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services), and other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).
- 5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).
- 5.2.1. The contractor must match all grant funds except for leasing funds, with no less than twenty-five percent of funds or in-kind contributions from other sources.
 - 5.2.2. Match requirements are to be documented with each payment request.


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Exhibit A

- 5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 4.1. The Contractor must have written approval from the State prior to billing for any other expenses.
- 5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 583.315). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
- 5.5. The contractor shall have any staff charged in full or part to this contract or counted as match complete weekly or bi-weekly timesheets.

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Exhibit B

METHOD AND CONDITIONS PRECEDENT TO PAYMENT

Continuum of Care Program

The following financial conditions apply to the scope of services as detailed in Exhibit A – Continuum of Care Program.

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

NH General Fund: Not applicable
Federal Funds: 100% NH0070L1T001301
CFDA #: 14.267
Federal Agency: U.S. Department of Housing & Urban Development
Program Title: Continuum of Care Program, Rapid Rehousing

Total Amount Continuum of Care Program;

January 1, 2015 – December 31, 2015: not to exceed \$85,583

Funds allocation under this agreement for Continuum of Care Program;

Supportive Services: \$3,405
Leasing or Rental Assistance: \$79,968
Administrative Costs: \$2,210
Total Program Amount: \$85,583

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

2. REPORTS

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

- 2.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with the regulations that implement OMB Circular A-133. Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State.
- 2.2. Where the Contractor is not subject to the requirements of OMB Circular A-133, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

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Exhibit B

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

- 3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in OMB Circular A-87 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of OMB Circular A-122.
- 3.2. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount not to exceed as specified above. Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor shall provide additional financial information if requested by the State to verify expenses.
- 3.3. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture pursuant to 24 CFR Subsection 576.55. The funds authorized to be expended under this Agreement shall be used only for operations, supportive services, leasing, rental assistance and administration or reimbursement for expenditures for operations, supportive services, leasing, and rental assistance and administration, provided by the Contractor for the project period and operating years of the Continuum of Care Program as approved by HUD and in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578.

4. USE OF GRANT FUNDS

- 4.1. The State agrees to provide payment for actual costs, up to the not to exceed amount for the Continuum of Care Program as specified in this Exhibit, as defined by HUD under the provisions of P.L. 102-550 and applicable regulations.
- 4.2. The Contractor may amend the contract budget through line item increases, decreases or the creation of new line items provided these amendments do not exceed the contract price. Such amendments shall only be made upon written request to and written approval from the State.


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New Hampshire Department of Health and Human Services
Continuum of Care Program – Rapid Rehousing



Exhibit B

- 4.3. Conformance to OMB Circular A-110: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in OMB Circular A-110.
5. CONTRACTOR FINANCIAL MANAGEMENT SYSTEM
 - 5.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
 - 5.2. The Contractor shall maintain a financial management system that complies with Attachment G of A-102, "Standards of Contractor Financial Management Systems" or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3.2 of this Agreement.

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SPECIAL PROVISIONS

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

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



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

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

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



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

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



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

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

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

- (a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.
- (b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- (c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
 - 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
 - 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
 - 19.3. Monitor the subcontractor's performance on an ongoing basis



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

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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



REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
 4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;
 - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
 - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
 - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
 - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
 - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. Subparagraph 14.1.1 of the General Provisions of this contract, is deleted and the following subparagraph is added:
 - 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence with additional general liability umbrella coverage of not less than \$5,000,000; and

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CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

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Date 10/15/14

New Hampshire Department of Health and Human Services
Exhibit D



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

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

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

Contractor Name: Harbor Homes Inc.

Name: Peter Kallender
Title: President & CEO

10/15/14
Date

Contractor Initials PK
Date 10/15/14



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: Harbor Homes Inc .

Name: Peter Kelleher
Title: President & CEO

10/15/14
Date



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

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

INSTRUCTIONS FOR CERTIFICATION

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



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

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

PRIMARY COVERED TRANSACTIONS

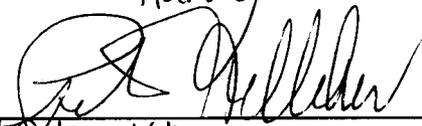
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 -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

LOWER TIER COVERED TRANSACTIONS

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

10/15/14
Date

Contractor Name: Harbor Homes Inc.


Name: Peter Kelleher
Title: President & CEO



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

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

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

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

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

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

New Hampshire Department of Health and Human Services
Exhibit G



against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

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

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

10/15/14
Date

Contractor Name: Harbor Homes Inc.

A handwritten signature in black ink, appearing to read "P. Kelleher".

Name: Peter Kelleher
Title: ~~President~~ & CEO



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Contractor Name: Harbor Homes Inc.

Name: Peter Kelleher
Title: President & CEO

10/15/14
Date



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) **Definitions.**

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

Handwritten initials in black ink, appearing to be 'R' and 'S'.



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

[Handwritten Signature]

10/15/14



Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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



Exhibit I

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

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



Exhibit I

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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

[Handwritten initials]

10/15/14



Exhibit I

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

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

NH DHHS
 The State
Mary Ann Cooney
 Signature of Authorized Representative
Mary Ann Cooney
 Name of Authorized Representative
Associate Commissioner
 Title of Authorized Representative
11/19/14
 Date

Harbor Homes Inc.
 Name of the Contractor
Peter Kelleher
 Signature of Authorized Representative
Peter Kelleher
 Name of Authorized Representative
President & CEO
 Title of Authorized Representative
10/15/14
 Date



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

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

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

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

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

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

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

Contractor Name: Harbor Homes Inc.

Name: Peter Kelleher
Title: President & CEO

10/15/14
Date

Contractor Initials PK
Date 10/15/14



FORM A

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

1. The DUNS number for your entity is: 13-1864357
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:

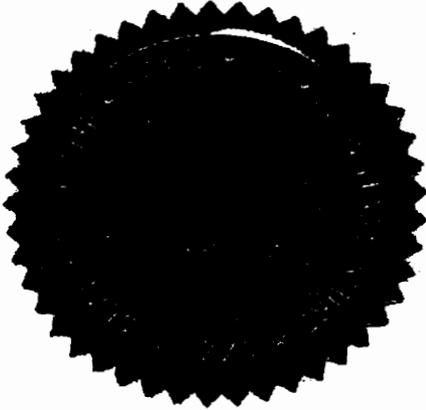
4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: _____	Amount: _____

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that HARBOR HOMES, INC. is a New Hampshire nonprofit corporation formed February 15, 1980. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 7th day of April A.D. 2014

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

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

1. I am a duly elected Officer of Harbor Homes Inc.
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on Oct 10th, 2014:
(Date)

RESOLVED: That the President & CEO
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 15th day of October, 2014.
(Date Contract Signed)

4. Peter Kelleher is the duly elected President & CEO
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Laurie Goguen
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 15th day of October, 2014.

By Laurie Goguen
(Name of Elected Officer of the Agency)

Laurel Lefavor
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: _____
LAUREL A. LEFAVOR, Notary Public
My Commission Expires September 22, 2015

AGENCY CUSTOMER ID: HARHO

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

Page 1 of 1

AGENCY Eaton & Berube Insurance Agency, Inc.		NAMED INSURED Harbor Homes, Inc 45 High Street Greater Nashua Council on Alcoholism, Inc. Nashua NH 03060	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE**

Southern New Hampshire HIV/AIDS Task Force
Welcoming Light, Inc.
HH Ownership, Inc.
Greater Nashua Council on Alcoholism dba Keystone Hall
Greater Nashua Council on Alcoholism, Inc.

Mission Statements

Harbor Homes, Inc.:

The mission of Harbor Homes, Inc. is to create and provide quality residential and supportive services for persons (and their families) challenged by mental illness and homelessness.

Welcoming Light Inc.:

To provide residential and support services to elderly and disabled individuals in a manner that is compassionate, flexible, and emphasizes independence

Milford Regional Counseling Services, Inc.:

To provide affordable counseling services to individuals and families

Greater Nashua Council on Alcoholism, Inc.

"To empower the chemically dependent person to take responsibility toward recovery through professional counseling in a caring environment"

Healthy at Home, Inc.:

To enhance the lives of people with illness or injury through a cooperative relationship with the community, professional medical service providers, and organizations that serve people in need of healthcare

HARBOR HOMES, INC.

Financial Statements

For the Year Ended June 30, 2013

(With Independent Auditors' Report Thereon)

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MELANSON HEATH & COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Harbor Homes, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Harbor Homes, Inc., which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harbor Homes, Inc. as of June 30, 2013, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Activities by Cost Center and the Schedule of Expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2013 on our consideration of the Harbor Homes, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Harbor Homes Inc.'s internal control over financial reporting and compliance.

Melanson, Heath + Company P.C.

Nashua, New Hampshire
December 9, 2013

HARBOR HOMES, INC.

Statement of Financial Position

June 30, 2013

<u>ASSETS</u>	<u>HUD I Program</u>	<u>HUD VI Program</u>	<u>Program Operations</u>	<u>Total</u>
Current Assets:				
Cash and cash equivalents	\$ 4,325	\$ 716	\$ 435,481	\$ 440,522
Accounts receivable, net of allowance for uncollectible accounts	201	1,352	693,720	695,273
Promises to give	-	-	50,000	50,000
Due from HUD Programs	-	-	6,177	6,177
Due from related organizations	-	-	78,954	78,954
Prepaid expenses	-	-	27,203	27,203
Total Current Assets	<u>4,526</u>	<u>2,068</u>	<u>1,292,535</u>	<u>1,298,129</u>
 Property and Equipment, net of accumulated depreciation	 85,214	 300,707	 15,951,685	 16,337,606
Non-current Assets:				
Restricted deposits and funded reserves	54,647	16,430	128,629	199,706
Due from HUD Programs	-	-	33,292	33,292
Due from related organizations	-	-	227,592	227,592
Promises to give	-	-	50,000	50,000
Beneficial interest	-	-	128,237	128,237
Other assets	-	-	29,446	29,446
Total Non-current Assets	<u>54,647</u>	<u>16,430</u>	<u>597,196</u>	<u>668,273</u>
 Total Assets	 <u>\$ 144,387</u>	 <u>\$ 319,205</u>	 <u>\$ 17,841,416</u>	 <u>\$ 18,305,008</u>
 <u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts payable	\$ 1,279	\$ 1,202	\$ 242,237	\$ 244,718
Accrued and other liabilities	1,361	1,416	494,759	497,536
Due to program operations	6,177	-	-	6,177
Due to related organizations	-	-	76,521	76,521
Other liabilities	4,248	-	-	4,248
Line of credit	-	-	807,868	807,868
Deferred revenue	-	-	63,657	63,657
Current portion of mortgages payable	12,818	4,191	210,418	227,427
Total Current Liabilities	<u>25,883</u>	<u>6,809</u>	<u>1,895,460</u>	<u>1,928,152</u>
 Long Term Liabilities:				
Due to program operations	-	33,292	-	33,292
Due to related organizations	-	-	75,000	75,000
Security deposits	2,327	906	34,189	37,422
Other liabilities	-	-	29,446	29,446
Mortgages payable, tax credits	-	-	163,453	163,453
Mortgages payable, net of current portion	163,624	234,615	6,915,304	7,313,543
Mortgages payable, deferred	-	-	5,242,834	5,242,834
Total Long Term Liabilities	<u>165,951</u>	<u>268,813</u>	<u>12,460,226</u>	<u>12,894,990</u>
 Total Liabilities	 191,834	 275,622	 14,355,686	 14,823,142
 Unrestricted Net Assets (Deficit):				
HUD programs	(47,447)	43,583	-	(3,864)
Program operations	-	-	3,262,622	3,262,622
Temporarily Restricted Net Assets	-	-	223,108	223,108
Total Net Assets (Deficit)	<u>(47,447)</u>	<u>43,583</u>	<u>3,485,730</u>	<u>3,481,866</u>
 Total Liabilities and Net Assets	 <u>\$ 144,387</u>	 <u>\$ 319,205</u>	 <u>\$ 17,841,416</u>	 <u>\$ 18,305,008</u>

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

HARBOR HOMES, INC.

Statement of Activities

For the Year Ended June 30, 2013

	Unrestricted Net Assets			Temporarily Restricted Net Assets	Total
	HUD I Program	HUD VI Program	Program Operations		
<u>Public Support and Revenue:</u>					
<u>Public Support:</u>					
Federal grants	\$ -	\$ -	\$ 1,768,749	\$ -	\$ 1,768,749
State, local, and other grants	-	-	815,730	-	815,730
Donations	-	-	186,200	265,000	451,200
Donations in-kind	-	-	61,023	-	61,023
Net assets released from restriction	-	-	66,302	(66,302)	-
Total Public Support	-	-	2,898,004	198,698	3,096,702
<u>Revenue:</u>					
Department of Housing and Urban Development	39,623	50,959	2,469,804	-	2,560,386
Veterans Administrative grants	-	-	1,852,023	-	1,852,023
Medicaid - Federal and State	-	-	765,847	-	765,847
Rent and service charges, net	25,129	22,212	464,986	-	512,327
Contracted services	-	-	357,845	-	357,845
Outside rent	-	-	165,216	-	165,216
Miscellaneous	2,387	310	94,280	-	96,977
Employment projects	-	-	63,792	-	63,792
Food and common area fees	-	-	61,643	-	61,643
Management fees	-	-	34,425	-	34,425
Medicare revenue	-	-	25,818	-	25,818
Unrealized gain/(loss)	-	-	12,269	-	12,269
Interest	28	30	279	-	337
Loss on disposal of fixed assets	-	-	(1,580)	-	(1,580)
Sliding fee and free care	-	-	(23,456)	-	(23,456)
Bad debts	(34)	(7,238)	(26,792)	-	(34,064)
Total Revenue	67,133	66,273	6,316,399	-	6,449,805
Total Public Support and Revenue	67,133	66,273	9,214,403	198,698	9,546,507
<u>Expenses:</u>					
Program	81,065	76,279	7,795,538	-	7,952,882
Administration	20,019	9,365	1,424,791	-	1,454,175
Fundraising	-	-	193,625	-	193,625
Total Expenses	101,084	85,644	9,413,954	-	9,600,682
Change in net assets	(33,951)	(19,371)	(199,551)	198,698	(54,175)
Net Assets (Deficit), Beginning of Year	(13,496)	62,954	3,462,173	24,410	3,536,041
Net Assets (Deficit), End of Year	\$ (47,447)	\$ 43,583	\$ 3,262,622	\$ 223,108	\$ 3,481,866

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

HARBOR HOMES, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2013

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Expenses:				
Accounting fees	\$ -	\$ 45,200	\$ -	\$ 45,200
Advertising and printing	28,553	657	-	29,210
Client services and assistance	28,395	-	-	28,395
Client transportation	10,212	-	-	10,212
Conference and conventions	37,124	190	-	37,314
Contract labor	155,287	16,525	-	171,812
Employee benefits	487,077	183,542	24,441	695,060
Enabling services	139	-	-	139
Equipment rental	1,396	7,644	-	9,040
Food	50,373	102	-	50,475
Fundraising expenses	-	-	4,843	4,843
Garbage and trash removal	12,462	7,271	62	19,795
Grants	225,293	-	-	225,293
Information technology	125,977	25,923	3	151,903
Interest expense - mortgage	307,793	20,500	368	328,661
Interest expense - other	-	37,772	-	37,772
Journals and publications	1,078	75	-	1,153
Legal fees	47,104	20,051	-	67,155
Management fees	-	11,169	-	11,169
Medical and clothing	68,605	-	-	68,605
Dues and subscriptions	3,652	3,695	-	7,347
Office supplies	31,846	10,486	335	42,667
Operating and maintenance	103,256	31,281	169	134,706
Operational supplies	54,845	7,974	71	62,890
Other expenditures	5,237	23,746	110	29,093
Payroll taxes	277,011	63,085	13,519	353,615
Postage/shipping	3,416	4,492	497	8,405
Professional fees	116,132	4,797	-	120,929
Property and liability insurance	100,841	16,578	290	117,709
Property taxes	14,198	-	-	14,198
Rent expense	1,991,130	-	-	1,991,130
Salary and wages	2,771,920	746,870	146,992	3,665,782
Security deposits	38,063	-	-	38,063
Snow removal	32,080	8,493	56	40,629
Staff development	9,141	367	25	9,533
Staff expense	18,066	7,405	102	25,573
Staff transportation	42,943	24,038	859	67,840
Telephone/communications	36,248	31,021	60	67,329
Utilities	194,001	49,933	254	244,188
Vehicle expenses	23,696	-	-	23,696
Total Expenses Before Depreciation	<u>7,454,590</u>	<u>1,410,882</u>	<u>193,056</u>	<u>9,058,528</u>
Depreciation	<u>498,292</u>	<u>43,293</u>	<u>569</u>	<u>542,154</u>
Total functional expenses	<u>\$ 7,952,882</u>	<u>\$ 1,454,175</u>	<u>\$ 193,625</u>	<u>\$ 9,600,682</u>

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

HARBOR HOMES, INC.

Statement of Cash Flows

For the Year Ended June 30, 2013

Cash Flows From Operating Activities:	
Change in net assets	\$ (54,175)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	542,154
Loss on disposal of fixed assets	1,580
Gain on beneficial interest	(12,062)
(Increase) Decrease In:	
Accounts receivable	51,068
Promises to give	(75,000)
Prepaid expenses	(22,364)
Other assets	(29,446)
Increase (Decrease) In:	
Accounts payable	(45,594)
Accrued and other liabilities	119,341
Deferred revenue	63,657
Other liabilities	33,694
Net Cash Provided by Operating Activities	<u>572,853</u>
Cash Flows From Investing Activities:	
Restricted deposits and funded reserves	76,421
Security deposits	(3,143)
Purchase of fixed assets	(817,241)
Net Cash Used by Investing Activities	<u>(743,963)</u>
Cash Flows From Financing Activities:	
Payments on line of credit	(2,131)
Payments on long term borrowings	(302,284)
Net change in due to/from related organizations	126,467
Net Cash Used by Financing Activities	<u>(177,948)</u>
Net Decrease	(349,058)
Cash and Cash Equivalents, Beginning of Year	<u>789,580</u>
Cash and Cash Equivalents, End of Year	<u>\$ 440,522</u>
Supplemental disclosures of cash flow information:	
Interest paid	<u>\$ 377,285</u>
Non-cash financing activities	<u>\$ 2,584,700</u>

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

HARBOR HOMES, INC.

Notes to the Financial Statements

1. **Organization:**

Harbor Homes, Inc. (the Organization) is a nonprofit organization that creates and provides quality residential and supportive services for persons (and their families) challenged by mental illness and/or homelessness in the State of New Hampshire. Programs include mainstream housing, permanent housing, transitional housing, and emergency shelter, as well as comprehensive support services that include peer support programs, job training, a paid employment program, and social and educational activities.

In addition to housing and supportive services, the Organization runs a health care clinic that is a Federally Qualified Health Center (FQHC) offering primary medical services to the homeless and/or low-income individuals.

2. **Summary of Significant Accounting Policies:**

The following is a summary of significant accounting policies of the Organization used in preparing and presenting the accompanying financial statements.

Accounting for Contributions and Financial Statement Presentation

The Organization follows *Accounting for Contributions Received and Contributions Made* and *Financial Statements of Not-for-Profit Organizations* as required by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). Under these guidelines, the Organization is required to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services, meeting certain criteria at fair values. These reporting standards establish standards for financial statements of not-for-profit organizations and require a Statement of Financial Position, a Statement of Activities, a Statement of Functional Expenses, and a Statement of Cash Flows.

Basis of Accounting

Revenues and expenses are reported on the accrual basis of accounting. Under this basis, revenues, other than contributions, and expenses are reported when incurred, without regard to the date of receipt or payment of cash. Contributions are reported in accordance with FASB ASC *Accounting for Contributions Received and Contributions Made*.

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

The adequacy of the allowance for doubtful accounts for receivables is reviewed on an ongoing basis by the Organization's management and adjusted as required through the provision for doubtful accounts (bad debt expense). In determining the amount required in the allowance account for the year ended June 30, 2013, management has taken into account a variety of factors.

Property and Equipment

Property and equipment is recorded at cost or, if donated, at estimated fair market value at the date of donation. Major additions and improvements are capitalized, while ordinary maintenance and repairs are charged to expense. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Assets not in service are not depreciated.

Functional Expenses

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

Donated Services

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in its programs. No amounts have been recognized in the accompanying statement of activities because the criteria

for recognition of such volunteer effort under generally accepted accounting principles have not been satisfied.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Use of Estimates

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

Tax Status

Harbor Homes, Inc. is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions.

The Organization follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. FASB ASC 740-10 did not have a material impact on the Organization's financial statements.

The Organization's Federal Form 990 (Return of Organization Exempt From Income Tax) for fiscal years 2010, 2011, and 2012 are subject to examination by the IRS, generally for three years after they were filed.

The Organization recognizes interest related to unrecognized tax benefits in interest expense and penalties that are included within reported expenses. During the year ended June 30, 2013, the Organization had no interest or penalties accrued related to unrecognized tax benefits.

Subsequent Events

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from July 1, 2013 through December 9, 2013, the date the financial statements were available to be issued, have been evaluated by management for disclosure.

3. Concentration of Credit Risk - Cash and Cash Equivalents:

The carrying amount of the Organization's deposits with financial institutions was \$440,522 at June 30, 2013. The difference between the carrying amount and the bank balance represents reconciling items such as deposits in transit and outstanding checks, which have not been processed by the bank at June 30, 2013. The bank balance is categorized as follows:

Insured by FDIC	\$	371,377
Insured by SIPC		61,724
Uninsured and uncollateralized		<u>353,196</u>
Total Bank Balance	\$	<u>786,297</u>

4. Accounts Receivable:

Accounts receivable at June 30, 2013 consists of the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
HUD I Program			
Residents	\$ <u>201</u>	\$ <u>-</u>	\$ <u>201</u>
Total	\$ <u>201</u>	\$ <u>-</u>	\$ <u>201</u>
HUD VI Program			
Residents	\$ <u>1,352</u>	\$ <u>-</u>	\$ <u>1,352</u>
Total	\$ <u>1,352</u>	\$ <u>-</u>	\$ <u>1,352</u>
Program Operations			
Residents	\$ 57,173	\$ (43,315)	\$ 13,858
Security deposits	3,597	-	3,597
Medicaid	33,506	-	33,506
Grants	487,474	-	487,474
Clinic	84,273	(19,863)	64,410
Other	<u>90,875</u>	<u>-</u>	<u>90,875</u>
Total	\$ <u>756,898</u>	\$ <u>(63,178)</u>	\$ <u>693,720</u>

5. Due To/From Related Organizations:

Due to/from related organizations represents amounts due to and from Harbor Homes, Inc. from related entities whereby common control is shared with the same Board of Directors. These balances exist because certain receipts and disbursements of the related organizations flow through the

Harbor Homes, Inc. main operating cash account. The related organizations and their balances at June 30, 2013 are as follows:

	<u>Due to</u>	<u>Due From</u>
Current:		
Healthy at Home	\$ 67,589	\$ -
Southern NH HIV/AIDS Task Force	8,932	-
Greater Nashua Council on Alcoholism	-	35,584
Milford Regional Counseling Services, Inc.	-	31,370
HH Ownership, Inc.	-	2,349
Harbor Homes III, Inc.	-	10,651
Subtotal current	<u>76,521</u>	<u>79,954</u>
Non-current:		
Healthy at Home	75,000	-
Harbor Homes II, Inc.	-	123,121
Welcoming Light, Inc.	-	104,471
Subtotal non-current	<u>75,000</u>	<u>227,592</u>
Total	<u>\$ 151,521</u>	<u>\$ 307,546</u>

Although management believes the above receivables to be collectible, there is significant risk that the non-current portion may not be.

6. Prepaid Expenses:

Prepaid expenses consist of the following items:

	<u>HUD I</u> <u>Program</u>	<u>HUD VI</u> <u>Program</u>	<u>Program</u> <u>Operations</u>
Prepaid insurance	\$ -	\$ -	\$ 18,962
Prepaid HRA	-	-	5,222
Prepaid other	-	-	3,019
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,203</u>

7. Property, Equipment and Depreciation:

A summary of the major components of property and equipment is presented below:

	<u>HUD I Program</u>	<u>HUD VI Program</u>	<u>Program Operations</u>
Land	\$ 49,484	\$ 54,750	\$ 1,686,356
Land improvements	10,490	-	-
Construction in progress	-	-	4,200,278
Buildings	253,233	257,402	11,981,678
Building improvements	89,762	1,500	1,044,981
Software	-	-	320,366
Vehicles	-	-	219,693
Furniture and fixtures	-	-	161,877
Equipment	18,695	-	163,297
Medical equipment	-	-	65,762
Subtotal	<u>421,664</u>	<u>313,652</u>	<u>19,844,288</u>
Less: accumulated depreciation	<u>(336,450)</u>	<u>(12,945)</u>	<u>(3,892,603)</u>
Total	<u>\$ 85,214</u>	<u>\$ 300,707</u>	<u>\$ 15,951,685</u>

Depreciation expense for the year ended June 30, 2013 totaled \$542,154.

The estimated useful lives of the depreciable assets are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 - 40
Software	3
Vehicles	3
Furniture and fixtures	5 - 7
Equipment	5 - 7

8. Restricted Deposits and Funded Reserves:

Restricted deposits and funded reserves consist of escrow accounts and reserves which are held for various purposes. The following is a summary of the restricted accounts:

	<u>HUD I Program</u>	<u>HUD VI Program</u>	<u>Program Operations</u>
Security deposits	\$ 2,327	\$ 906	\$ 40,897
Reserve for replacements	36,615	13,912	87,732
Residual receipt deposits	<u>15,705</u>	<u>1,612</u>	<u>-</u>
Total	<u>\$ 54,647</u>	<u>\$ 16,430</u>	<u>\$ 128,629</u>

Security deposits held will be returned to tenants when they vacate. Reserve for replacement accounts are required by the Department of Housing and Urban Development (HUD) and the City of Nashua and are used for the replacement of property with prior approval. Residual receipt deposits are required by the Department of Housing and Urban Development and are to be used at the discretion of HUD.

9. Beneficial Interest:

The Organization has a beneficial interest in the Harbor Homes, Inc. Fund (the Fund), a component fund of the New Hampshire Charitable Foundation's (the Foundation) Nashua Region. The Organization will receive distributions from the Fund based on a spending allocation, which is a percentage of the assets set by the Foundation and reviewed annually. The current spending percentage is 4.5% of the market value (using a 20-quarter average) of the Fund. At June 30, 2013, the value of the fund was \$128,237.

10. Accrued and Other Liabilities:

Accrued and other liabilities include the following:

	<u>HUD I Program</u>	<u>HUD VI Program</u>	<u>Program Operations</u>
Mortgage interest	\$ 1,361	\$ 1,416	\$ -
Payroll and related taxes	-	-	205,324
Compensated absences - vacation time	-	-	234,449
Compensated absences - personal time	-	-	24,263
Other	-	-	30,723
Total	<u>\$ 1,361</u>	<u>\$ 1,416</u>	<u>\$ 494,759</u>

11. Line of Credit:

At June 30, 2013, the Organization had a \$900,000 line of credit available from TD Bank, N. A., secured by all assets. The Organization is required, at a minimum, to make monthly interest payments to TD Bank, N. A. at the bank's base rate plus 1.00%, adjusted daily. As of June 30, 2013 the credit line had an outstanding balance of \$807,868, at an interest rate of 4.25%.

In March 2012 the line of credit agreement was modified to require the Organization to reduce the line to a low point of \$500,000 for a minimum of thirty consecutive days during any period over the year. The Organization was in compliance with covenants during fiscal year 2013.

12. Security Deposits:

Security deposits are comprised of tenant security deposits and other miscellaneous deposits. Tenant security deposits are held in a separate bank account in the name of the Organization. These deposits will be returned to residents when they leave the facility. Interest will be returned to residents who have had over one year of continuous tenancy.

13. Mortgages Payable, Tax Credits:

Mortgages payable, tax credits consist of a mortgage payable to the Community Development Finance Authority through the Community Development Investment Program, payable through the sale of tax credits to donor organizations, maturing in 2020, secured by real property. This amount is amortized over 10 years at zero percent interest. The amount due at June 30, 2013 is \$163,453.

14. Mortgages Payable:

Mortgages payable as of June 30, 2013 consisted of the following:

A construction loan payable to Merrimack County Savings Bank, pending permanent conversion in December 2013. The total permanent loan of \$2,424,550 and will be due in monthly installments of \$7,768, including principal and interest of 7.05%, maturing in 2040, secured by real property. As of June 30, 2013, the amount available for further advancement is \$428,515. \$ 1,996,035

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$7,768, including principal and interest at 7.05%, maturing in 2040, secured by real property. 1,124,898

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$6,391, including principal and interest at 6.75%, maturing in 2031, secured by real property. 767,873
(continued)

(continued)

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$5,126, including principal and interest at 6.97%, maturing in 2036, secured by real property.	704,012
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$3,996, including principal and interest at 4.75%, maturing in 2036, secured by real property.	673,732
A mortgage payable to TD Bank, due in monthly installments of \$5,387, including principal and interest at 7.27%, maturing in 2025, secured by real property.	522,441
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,692, including principal and interest at 4.75%, maturing in 2040, secured by real property.	493,329
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,077, including principal and interest at 5.57% for the first five years, then adjusting in June 2015, 2020, 2025, and 2030 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 2.75%, maturing in 2035, secured by real property.	316,638
A mortgage payable to Mascoma Savings Bank, fsb., due in monthly installments of \$1,731, including principal and interest at 7.00% maturing in 2036, secured by real property.	238,806
A mortgage payable to the Department of Housing and Urban Development, due in monthly installments of \$2,385, including principal and interest at 9.25%, maturing in 2022, secured by real property.	176,441
	(continued)

(continued)

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$1,144, including principal and interest at a variable rate (5.61% at June 30, 2012), maturing in 2029, secured by real property.	141,600
A mortgage payable to Berkadia, due in monthly installments of \$3,640, including principal and interest at a variable rate (4.75% at June 30, 2012), maturing in 2016, secured by a program building and five scattered condominiums in Nashua, New Hampshire.	106,635
A mortgage payable to TD Bank, due in monthly installments of \$2,095, including principal and interest at 6.45%, maturing in 2018, secured by real property.	115,441
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$779, including principal and interest at 7.20% for the first five years, then adjusting in April 2012, 2017, 2022, 2027, and 2032 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 225 basis points, maturing in 2037, secured by real property.	105,480
A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$1,283, including principal and interest at 3.73%, maturing in 2035, secured by real property.	57,609
Total	<u>7,540,970</u>
Less amount due within one year	<u>(227,427)</u>
Mortgages payable, net of current portion	<u>\$ 7,313,543</u>

The following is a summary of future payments on the previously mentioned long-term debt.

<u>Year</u>	<u>Amount</u>
2014	\$ 227,427
2015	249,975
2016	245,374
2017	233,501
2018	230,799
Thereafter	<u>6,353,894</u>
Total	<u>\$ 7,540,970</u>

15. Mortgages Payable, Deferred:

The Organization has deferred mortgages outstanding at June 30, 2013 totaling \$5,242,834. These loans are not required to be repaid unless the Organization is in default with the terms of the loan agreements or if an operating surplus occurs within that program.

Several of these loans are special financing from the New Hampshire Housing Finance Authority (NHHFA) to fund specific projects. These notes are interest free for thirty years with principal payments calculated annually at the discretion of the lender.

The following is a list of deferred mortgages payable at June 30, 2013:

	<u>Program Operations</u>
City of Manchester:	
Somerville Street property	\$ <u>300,000</u>
Total City of Manchester	300,000
City of Nashua:	
Factory Street property	580,000
Spring Street property	491,000
Charles Street property	98,087
High Street fire system	<u>65,000</u>
Total City of Nashua	1,234,087

(continued)

(continued)

	<u>Program Operations</u>
Federal Home Loan Bank (FHLB):	
Factory Street property	400,000
Somerville Street property	400,000
Spring Street property	<u>398,747</u>
Total FHLB	1,198,747
 NHHFA:	
Factory Street property	1,000,000
Spring Street property	550,000
Charles Street property	50,000
Somerville Street property	<u>910,000</u>
Total NHHFA	<u>2,510,000</u>
Total Mortgages Payable, Deferred	<u>\$ 5,242,834</u>

16. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes at June 30, 2013:

<u>Purpose</u>	<u>Amount</u>
Dalianis bricks	\$ 735
Dental funds	85
Emergency Shelter	10,000
HVRP	4,323
Medical equipment	11,573
Operation brightside	2,000
Somerville construction/equipment/furniture	188,762
Veterans computers	<u>5,630</u>
Total	<u>\$ 223,108</u>

17. Transactions with Related Parties:

The Organization's clients perform janitorial services for Harbor Homes HUD I, II and III, Inc., Welcoming Light, Inc., Milford Regional Counseling Services, Inc., Healthy at Home, Inc., Greater Nashua Council on Alcoholism, and Southern NH HIV/AIDS Task Force, related organizations. These services are billed to the related organizations and reported as revenues in the accompanying financial statements.

The Organization currently has several contracts with Healthy at Home, Inc. to receive various skilled nursing services, CNA services and companion services for its clients. All of the contracts are based on per diem fees ranging from \$16 per hour for companion services, to \$100 per visit for skilled nursing services.

The Organization is a corporate guarantor for Greater Nashua Council on Alcoholism in relation to two mortgages on their Amherst Street property. The guaranties consist of one mortgage in the amount of \$1,867,590 and another mortgage in the amount of \$300,000.

During the year, the Organization rented office space, under tenant at will agreements, to Southern NH HIV/AIDS Task Force, and Healthy at Home, Inc., related parties. The rental income under these agreements totaled \$24,816 and \$60,000, respectively, for fiscal year 2013.

The Organization is considered a commonly controlled organization with several related entities by way of its common board of directors. However, management feels that the principal prerequisites for preparing combined financial statements are not met, and therefore more meaningful separate statements have been prepared.

Following are the commonly controlled organizations:

- Harbor Homes II, Inc.
- Harbor Homes III, Inc.
- HH Ownership, Inc.
- Welcoming Light, Inc.
- Milford Regional Counseling Services, Inc.
- Healthy at Home, Inc.
- Greater Nashua Council on Alcoholism
- Southern NH HIV/AIDS Task Force

18. Leases:

Operating leases

The Organization has entered into several operating leases for vehicles and equipment which expire at various times. Total lease expense for the current year was approximately \$9,000.

Future minimum lease payments for vehicles and equipment are as follows:

<u>Year</u>	<u>Amount</u>
2014	\$ 7,320
2015	6,090
2016	<u>2,200</u>
Total	<u>\$ 15,610</u>

19. Employee Benefit Plan:

After one year of continuous service with the Organization, employees may contribute a portion of their wages to a Section 403(b) retirement plan. The Organization matches a percentage of the employee contribution based on years of service. Total matching contributions paid by the Organization for the year ended June 30, 2013 were \$90,014.

In addition to the retirement plan noted above, the Organization also has a Section 457 deferred compensation plan with a value of \$29,446 at June 30, 2013.

20. Concentration of Risk:

The Organization receives 27% and 19% of its revenue from the Department of Housing and Urban Development and the Department of Veterans Affairs, respectively.

21. Fair Value Measurements:

FASB ASC, *Fair Value Measurements*, provides guidance for using fair value to measure assets and liabilities. *Fair Value Measurements* applies whenever other standards require or permit assets or liabilities to be measured at their fair market value. The standard does not expand the use of fair value in any new circumstances. Under *Fair Value Measurements*, fair value refers to the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. *Fair Value Measurements* clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions.

Under *Fair Value Measurements*, the Organization categorizes its fair value estimates based on a hierarchical framework associated with three levels of price transparency utilized in measuring financial instruments at fair value. Classification is based on the lowest level of input that is significant to the fair value of the instrument. The three levels are as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of financial instruments included in Level 1 are highly liquid instruments with quoted prices;
- Level 2 - Inputs from active markets, other than quoted prices for identical instruments, are used to model fair value. Significant inputs are directly observable from active markets for substantially the full term of the asset or liability being valued; and
- Level 3 - Pricing inputs significant to the valuation are unobservable. Inputs are developed based on the best information available; however, significant judgment is required by management in developing the inputs.

The estimated fair value of the Organization's financial instruments is presented in the following table:

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Level One</u>	<u>Level Two</u>	<u>Level Three</u>
Due from related organizations	\$ 307,546	\$ 307,546	\$ -	\$ -	\$ 307,546
Beneficial interest	<u>128,237</u>	<u>128,237</u>	<u>-</u>	<u>-</u>	<u>128,237</u>
Total assets	<u>\$ 435,783</u>	<u>\$ 435,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 435,783</u>
Due to related organizations	\$ 151,521	\$ 151,521	\$ -	\$ -	\$ 151,521
Line of credit	807,868	807,868	-	807,868	-
Mortgages payable, tax credits	163,453	163,453	-	-	163,453
Mortgages payable	7,540,970	7,540,970	-	7,540,970	-
Mortgages payable, deferred	<u>5,242,834</u>	<u>5,242,834</u>	<u>-</u>	<u>5,242,834</u>	<u>-</u>
Total liabilities	<u>\$ 13,906,646</u>	<u>\$ 13,906,646</u>	<u>\$ -</u>	<u>\$ 13,591,672</u>	<u>\$ 314,974</u>

Fair Value Measurements
Using Significant Unobservable Inputs
Level 3

	Beneficial Interest	Due from related organizations	Due to related organizations	Mortgages Payable, Tax Credits
Beginning balance June 30, 2012	\$ 116,175	\$ 456,199	\$ 173,707	\$ 184,497
Advances	12,062	-	-	-
Reductions	-	(148,653)	(22,186)	(21,044)
Transfers in to Level 3	-	-	-	-
Ending balance June 30, 2013	<u>\$ 128,237</u>	<u>\$ 307,546</u>	<u>\$ 151,521</u>	<u>\$ 163,453</u>

Due to the short term nature of the financial instruments, the book value approximates fair value.

22. Healthcare Clinic:

Patient service revenue is recorded as services provided. The Healthcare Clinic (The Clinic) establishes fees for services to patients based on a sliding fee scale. Contractual allowances are recorded based on patients served in the period the related services are rendered.

The Clinic has a policy of providing free care to patients who are unable to pay. Such patients are identified based on financial information obtained from the patients prior to the services being rendered. The approximate amount of free care services provided was \$423,000 for the year ended June 30, 2013. The Clinic billed a third-party payer approximately \$212,000 during the fiscal year.

Patient accounts receivable are recorded less allowances for doubtful accounts and net of contractual allowances. The Clinic provides for losses on patient accounts receivable using the allowance method. Receivables are considered impaired if full payments are not expected in accordance with contractual terms. The net balance as of June 30, 2013 was \$29,000.

23. Subsequent Event:

On September 19, 2013, the property located at 78-82 Main Street sold. The gain on the sale was \$527,000 and some of the proceeds, in the amount of \$307,000 were used to pay down the line of credit. On September 23, 2013, an additional \$100,000 was used to pay down the line of credit, resulting in an outstanding balance of \$400,000.

The building located at 78-82 Main Street was the main collateral used to secure the line of credit and the sale resulted in a reduction of the available

balance. The line of credit was subsequently reduced from \$900,000 to \$500,000.

HARBOR HOMES, INC.
 Schedule of Activities by Cost Center
 For the Year Ended June 30, 2013

	Non BBH		Community Residence Chestnut St.	Community Residence Winter St.	Emergency Shelter	Permanent Housing 2	Administration	Fundraising	Total
	Healthcare Clinic	Other							
Public Support and Revenue:									
Public Support:									
Federal grants	\$ 481,013	\$ 1,214,016	\$ 500	\$ 500	\$ 71,677	\$ -	\$ 21,043	\$ -	\$ 1,768,749
State, local, and other grants	96,276	652,920	-	-	66,534	-	-	-	815,730
Donations	11,626	367,587	-	-	10,310	-	61,393	284	451,200
Donations in-kind	-	61,023	-	-	-	-	-	-	61,023
Total Public Support	588,915	2,295,546	500	500	148,521	-	82,436	284	3,086,702
Revenue:									
Department of Housing and Urban Development	-	2,292,411	-	-	-	187,463	80,512	-	2,560,386
Veterans Administrative grants	-	1,777,023	-	-	-	-	75,000	-	1,852,023
Medicaid - Federal and State	70,738	-	360,498	334,611	-	-	-	-	765,847
Rent and service charges, net	-	491,164	-	-	2,608	18,555	-	-	512,327
Contracted services	-	357,845	-	-	-	-	-	-	357,845
Outside rent	-	72,000	-	-	-	24,816	68,400	-	165,216
Miscellaneous	91,234	3,036	-	-	-	-	2,707	-	96,977
Employment projects	-	63,792	-	-	-	-	-	-	63,792
Food and common area fees	-	-	32,400	29,243	-	-	-	-	61,643
Management fees	-	-	-	-	-	-	34,425	-	34,425
Medicare revenue	25,818	-	-	-	-	-	-	-	25,818
Unrealized gain/(loss)	-	-	-	-	-	-	12,269	-	12,269
Interest	-	57	-	-	-	-	280	-	337
Loss on disposal of fixed assets	(23,456)	(1,580)	-	-	-	-	-	-	(1,580)
Sliding fee and free care	(29,892)	(3,632)	-	(102)	(438)	-	-	-	(23,456)
Bad debts	-	-	-	-	-	-	-	-	(34,064)
Total Revenue	134,442	5,052,116	392,898	363,752	2,170	230,834	273,593	-	6,449,805
Total Public Support and Revenue	703,357	7,347,662	393,398	364,252	150,691	230,834	356,029	284	9,546,507
Expenses before depreciation	878,163	5,729,064	221,811	233,518	124,645	267,389	1,410,882	193,056	9,058,528
Change in net assets before depreciation	(174,806)	1,618,598	171,587	130,734	28,046	(36,555)	(1,054,853)	(192,772)	487,979
Depreciation	47,039	421,922	127	-	3,913	25,291	43,293	569	542,154
Change in net assets	\$(221,845)	\$ 1,996,676	\$ 171,460	\$ 130,734	\$ 22,133	\$ (61,846)	\$ (1,098,148)	\$ (193,341)	\$ (54,175)

See Independent Auditors' Report.

HARBOR HOMES, INC.

Schedule of Expenses

For the Year Ended June 30, 2013

Expenses:	Non BBH		Community Residence Chestnut St.	Community Residence Winter St.	Emergency Shelter	Permanent Housing 2	Administration	Fundraising	Total
	Healthcare Clinic	Other							
Accounting fees	\$ 18,933	\$ 9,620	-	-	-	-	\$ 45,200	\$ -	\$ 45,200
Advertising and printing	-	28,215	-	-	180	-	657	-	29,210
Client services and assistance	-	10,212	-	-	-	-	-	-	28,385
Client transportation	12,771	24,303	-	50	-	-	190	-	10,212
Conference and conventions	55,430	97,376	373	2,108	-	-	16,525	-	37,314
Contract labor	3,606	46	-	-	-	-	3,695	-	171,812
Dues and subscriptions	77,617	326,104	21,148	32,185	7,877	22,146	183,542	24,441	7,347
Employee benefits	139	1,181	-	-	-	215	7,644	-	695,060
Enabling services	40	19,405	16,373	13,138	1,417	-	102	-	139
Equipment rental	-	8,909	-	-	-	-	-	-	9,040
Food	855	224,483	-	-	80	2,618	7,271	4,843	50,475
Fundraising expenses	150	102,115	-	-	660	-	-	62	4,843
Garbage and trash removal	18,140	266,968	101	101	677	4,843	25,923	-	19,795
Grants	6,623	499	-	-	7,870	-	20,500	3	225,293
Information technology	1,150	43,903	-	-	-	-	37,772	368	151,903
Interest expense - mortgage	499	383	-	196	-	-	75	-	328,661
Interest expense - other	1,150	68,605	-	-	-	-	20,051	-	37,772
Journals and publications	-	21,888	-	-	-	-	11,169	-	1,153
Legal fees	-	66,921	-	-	-	-	-	-	67,155
Management fees	-	31,980	-	-	-	-	-	-	11,169
Medical and clothing	3,595	4,564	-	-	-	-	-	-	68,605
Office supplies	8,872	177,731	384	159	112	5,708	10,486	335	42,667
Operating and maintenance	10,545	1,922	2,802	1,007	3,502	22,954	31,281	169	134,706
Operational supplies	406	88,914	-	2,785	4,110	2,623	7,974	71	62,890
Other expenditures	49,055	70,231	17,636	16,791	267	10,618	23,746	110	29,093
Payroll taxes	1,002	14,198	46	45	2	399	63,085	487	353,615
Postage/shipping	27,218	88,914	-	-	-	-	4,482	-	8,405
Professional fees	23,580	70,231	1,273	1,103	1,407	3,247	4,797	290	120,929
Property and liability insurance	-	1,934,273	-	-	-	-	16,578	-	117,709
Property taxes	-	28,779	-	-	-	-	-	-	14,198
Rent expense	537,522	1,739,706	160,586	160,813	17,433	39,424	746,870	-	1,991,130
Salary and wages	-	26,709	-	-	9,284	121,618	-	-	3,665,782
Security deposits	-	541	-	-	-	-	-	-	38,063
Snow removal	55	8,926	80	-	-	4,830	8,483	56	40,629
Staff development	3,214	13,872	500	215	117	-	7,405	102	9,533
Staff expense	4,980	36,477	198	101	848	339	24,038	859	25,573
Staff transportation	5,063	24,986	311	1,142	1,957	2,789	31,021	60	67,840
Telephone/communications	6,362	163,386	-	-	9,990	14,263	49,893	254	67,329
Utilities	-	21,773	-	1,499	-	424	-	-	244,188
Total Expenses Before Depreciation	878,163	5,729,064	221,811	233,518	124,645	267,388	1,410,882	193,056	9,058,528
Depreciation	47,039	421,922	127	-	3,913	25,281	43,293	569	542,154
Total Expenses	\$ 925,202	\$ 6,150,986	\$ 221,938	\$ 233,518	\$ 128,558	\$ 292,669	\$ 1,454,175	\$ 193,625	\$ 9,600,682

See Independent Auditors' Report.

HARBOR HOMES, INC. AND AFFILIATES BOARD OF DIRECTORS

(Harbor Homes, Inc., HH Ownership, Inc., Welcoming Light, Inc., Healthy At Home, Inc., Milford Regional Counseling Services, Inc. Greater Nashua Council on Alcoholism, Inc., Southern NH HIV Task Force)

David Aponovich - [REDACTED]

Treasurer
(Chair, Finance Committee)
(Facilities Committee)
(Executive Committee)

(2nd term +)

Alphonse Haettenschwiller - (6/15) (Finance Committee)
(HCC Oversight Committee, Ch

Vincent Chamberlain - (6/15)

Vice Chair
(Chair Resource/Development/
Planning Committee)
(HCC Oversight Committee)

Robert Kelliher - [REDACTED] (Chair, Facilities Committee)
(Governance Committee)

Pastor Geoff DeFranca - [REDACTED]
Community Chapel

(Resource/Development/
Planning Committee)

Lynn King - [REDACTED] (Resource/Development/
Planning Committee)
(Chair, Governance Committee)

Laurie Des Rochers - (6-15)

(Facilities Committee)
(Resource/Development/
Planning Committee)

Captain James Lima - (6/15) (Governance Committee)
(Facilities Committee)

Robert Fischer - [REDACTED]

Chair of the Board
(Resource/Development/
Planning Committee)
(HCC Oversight Committee)

Naomi Moody - [REDACTED] (Committee Assignment-Pending)

Laurie Goguen - [REDACTED]

Secretary
(Governance Committee)
(HCC Oversight Committee)
(Executive Committee)

Dan Sallet - [REDACTED] (Finance Committee)

Nathan Goodwin - [REDACTED]

Trent Smith - [REDACTED] (Chair, Executive Committee)

PETER J. KELLEHER, CCSW, LICSW

45 High Street

Nashua, NH 03060

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Fax: (603) 595-7414

E-mail: p.kelleher@nhpartnership.org

PROFESSIONAL EXPERIENCE

- 2006-Present **President & CEO, Southern NH HIV Task Force**
- 2002-Present **President & CEO, GNCA, Inc. Nashua, NH**
- 1997-Present **President & CEO, Healthy At Home, Inc., Nashua, NH**
- 1995-Present **President & CEO, Milford Regional Counseling Services, Inc., Milford, NH**
- 1995-Present **President & CEO, Welcoming Light, Inc., Nashua, NH**
- 1982-Present **President & CEO, Harbor Homes, Inc., Nashua, NH**
Currently employed as chief executive officer of six nonprofit corporations (Partnership for Successful Living) creating and providing residential and supportive services, mental health care, primary/preventive health care, substance use disorder treatment and prevention services, supported employment and workforce development, professional training, and in-home health care to individuals and families who are homeless, living with disabilities, and/or are underserved/members of vulnerable populations. Responsible for initiation, development, and oversight of more than 50 programs comprising a \$13,000,000 operating budget; proposal development resulting in more than \$6,000,000 in grants annually; oversight of 250+ management and direct care professionals.
- 2003-2006 **Consultant**
Providing consultation and technical assistance throughout the State to aid service and mental health organizations
- 1980 - 1982 **Real Estate Broker, LeVaux Realty, Cambridge, MA**
Successful sales and property management specialist.
- 1979 - 1980 **Clinical Coordinator, Task Oriented Communities, Waltham, MA**
Established and provided comprehensive rehabilitation services to approximately 70 mentally ill/mentally retarded clients. Hired, directly supervised, and trained a full-time staff of 20 residential coordinators. Developed community residences for the above clients in three Boston suburbs. Provided emergency consultation on a 24-hour basis to staff dealing with crisis management in six group homes and one sheltered workshop. Administrative responsibilities included some financial management, quality assurance, and other accountability to state authorities.
- 1978 - 1979 **Faculty, Middlesex Community College, Bedford, MA**
Instructor for an introductory group psychotherapy course offered through the Social Work Department.
- 1977 - 1979 **Senior Social Worker/Assistant Director, Massachusetts Tuberculosis Treatment Center II, a unit of Middlesex County Hospital, Waltham, MA**
Functioned as second in command and chief clinical supervisor for eight interdisciplinary team members, and implemented a six-month residential program for individuals afflicted with recurring tuberculosis and alcoholism. Provided group and individual therapy, relaxation training.
- 1976 **Social Worker, Massachusetts Institute of Technology, Out-Patient Psychiatry, Cambridge, MA**
Employed in full-time summer position providing out patient counseling to individuals and groups of the MIT community.
- 1971 - 1976 **Program Counselor/Supervisor, Massachusetts Institute of Technology, MIT/Wellesley College Upward Bound Program, Cambridge and Wellesley, MA**
Major responsibilities consisted of psycho educational counseling of Upward Bound students, supervision of tutoring staff, teaching, conducting evaluative research for program policy development.

EDUCATIONAL EXPERIENCE

- 1975 - 1977 Simmons College School of Social Work, Boston, MA
Cambridge-Somerville Community Mental Health Program, MSW
- 1971 - 1975 Clark University, Worcester, MA. Received Bachelor of Arts Degree in Psychology

LICENSES AND CERTIFICATIONS

- 1979 Licensed Real Estate Broker – Massachusetts
- 1989 Academy of Certified Social Workers – NASW
- 1990 Licensed Independent Clinical Social Worker - Massachusetts
- 1994 State of New Hampshire Certified Clinical Social Worker, MA LICSW

PLACEMENTS

- 1976 - 1977 Cambridge Hospital, In-Patient Psychiatry, Cambridge, MA
Individual, group, and family counseling to hospitalized patients.
- 1975 - 1976 Massachusetts Institute of Technology, Social Service Department, Cambridge, MA
Similar to above.

FIELD SUPERVISION

- 1983 - 1984 Antioch/New England Graduate School, Department of Professional Psychology, Keene, NH
- 1983 - 1984 Rivier College, Department of Psychology, Nashua, NH
- 1990 - 1991 Rivier College, Department of Psychology, Nashua, NH
- 1978 - 1979 Middlesex Community College, Social Work Associates Program, Bedford, MA

AWARDS

- High School Valedictorian Award
- National Institute of Mental Health Traineeship in Social Work
- University of New Hampshire Community Development 2003 Community Leader of the Year
- NAMI NH 2007 Annual Award for Systems Change
- Peter Medoff AIDS Housing Award 2007
- The Walter J. Dunfey Corporate Fund Award for Excellence in Non Profit Management 2009
- Business Excellence Award 2010

MEMBERSHIPS

- Former Chair, Governor's State Interagency Council on Homelessness/New Hampshire Policy Academy
- Former Chair, Greater Nashua Continuum of Care
- National Association of Social Workers
- Board Member, Greater Nashua Housing & Development Foundation, Inc.
- Board Member, New Futures, Concord, NH
- Former Member, Rotary Club, Nashua, NH

SKILLS / ABILITIES / ACHIEVEMENTS PROFILE

Administration: Seasoned professional with progressive experience in diverse healthcare and educational environments, including operations, budget control, marketing, quality assurance, risk management, utilization review, facility design and management, human resources, and strategic planning.

Management: Self-starter with strong planning, controlling, organizing and leadership skills. Effectively manages resources and ensures compliance with established policies and procedures. Skilled in identifying and troubleshooting problem areas and implementing solutions. Developed comprehensive Quality Management program. Restructured billing, triage and customer service systems resulting in improved productivity and efficiency. Extensive managed care experience.

Human Resources: Skilled in recruiting, interviewing and selecting top personnel. Effective trainer, develops staff abilities to full potential. Motivates and retains employees using the mentor approach. Managed and supervised training and development of 100 personnel. Knowledgeable regarding multicultural issues. Effectively trained and prepared counseling professionals.

Communication: Articulate speaker and effective negotiator. Writes with strength, clarity and style. Natural ability to work with others. Consistently develops good rapport with staff, professionals, staff managers and community. Works well as part of a team or independently. Wrote and published several training and procedural manuals.

PROFESSIONAL EXPERIENCE

ASSISTANT DIRECTOR, SUPPORTIVE SERVICES/VP OPERATIONS 2005-present
Harbor Homes, Inc.

Senior management position overseeing residential and administrative staff of approximately 250 employees and coordinating a continuum of service delivery for the mentally ill and homeless and other populations. Develops and updates program plans, assures monitoring of implementation and develops/implements corrective actions as indicated. Provides education/consultation to staff, other agencies or community groups. Provides direct or indirect supervision to a clinical staff of 40 approximately Program Managers and MIMS workers. Assures quality/appropriateness of critical aspects of care through ongoing monitoring.

DIRECTOR OF COMMUNITY SUPPORT SERVICES DEPARTMENT 2003 – 2005
Community Council of Nashua Nashua, NH

Develops and updates program plans, assures monitoring of implementation and develops/implements corrective actions as indicated. Provides education/consultation to staff, other agencies or community groups. Provides supervision to a clinical staff of approximately 40 therapists, case managers and MIMS workers. Develops Regional Planning of adult services. Assures quality/appropriateness of critical aspects of care through ongoing monitoring.

DIRECTOR OF OUTCOMES & SYSTEM IMPROVEMENT 1999-2003
Community Council of Nashua Nashua, NH

Developed and maintains a Quality Management Program complying with NCQA and JCAHO standards. Monitored and supervised utilization review, evaluating the medical necessity, case management and continuation of care. Developed effective medical records protocols. Directs training and development function for the agency. Coordinated efforts resulting in highly successful JCAHO survey. Coordinates Customer Service and complaints process.

ADJUNCT FACULTY 1990-2005
Rivier College Nashua, NH

Graduate Counseling Program – Instruct graduate counseling students in a variety of courses to include Group Therapy, Counseling Techniques, Substance Abuse Counseling, Clinical Assessment, Marriage & Family Therapy, and Prescriptive Behavioral Management Techniques. Have facilitated several Independent Study courses in a variety of topics.

PRIVATE PRACTICE 1999-Present
Nashua, NH

Maintains private practice of approximately 40 clients. Coordinates care with primary care physicians and others. Coordinates treatment with managed care companies.

DIRECTOR OF REGIONAL BEHAVIORAL HEALTH QM

1997-1999

The Hitchcock Clinic

Bedford, NH

Developed and maintained a Quality Management Program complying with NCQA standards for four Behavioral Health sites. Developed and implemented program expansion. Identified staffing requirements and facilitated subsequent downsizing to ensure cost effectiveness. Liaison between the Clinic and insurance plans. Monitored and supervised utilization review for the Southern Region, evaluating the medical necessity, case management and continuation of care. Recommended by insurance reviewers to other organizations for consultation services in order to assist these agencies in their compliance processes. Developed effective medical records protocols.

COORDINATOR OF MULTICULTURAL COUNSELING PROGRAM

1998-1999

Rivier College

Nashua, NH

Coordinates the Bilingual/Multicultural Counseling Program in both guidance counseling and mental health fields. Recruits and advises professional students from local multicultural agencies. Developing a diversity-training program for use in area schools and businesses to enhance multicultural awareness. Instructor in Graduate Counseling Program.

CLINICAL DIRECTOR

1990-1997

The Hitchcock Clinic

Nashua, NH

Developed and implemented program policies and procedures. Managed FTE and budgetary control while providing effective leadership to the staff. Improved out-referral system, while reducing out-referral expenditures. Developed cooperative collaboration measures with insurers' UM Departments. Supervised a staff of thirty employees. Senior member of the Regional Management Team, and also a member of the Nashua Medical Group Board of Governors.

PROGRAM DIRECTOR

1988-1990

Partial Hospitalization Program, Brookside Hospital

Nashua, NH

Developed program components, structure, policies and procedures. Implemented FTE and budgetary control and supervised treatment staff. Initiated referral network and maintained marketing and referral relationships within the Greater Nashua community. Facilitated groups, provided case management and individual counseling including initial assessments. Monitored case management and utilization review processes with insurers.

PROGRAM DIRECTOR – SUBSTANCE ABUSE CLINIC

1985-1988

Department of the Army

West Germany

Developed comprehensive preventive substance abuse program. Coordinated efforts with schools, civic organizations, civilian agencies and military organizations in order to integrate preventive education efforts. Supervised clinical and support staff of two treatment clinics. Maintained referral relationships with commanders.

ARMY COMMUNITY SERVICE DIRECTOR

1983-1985

Department of the Army

West Germany

Developed comprehensive community support agency. Responsible for staffing and budgetary concerns. Composed informational publications, prepared financial and statistical reports and submitted budget requests to the U. S. government for agency funding. Responsible for FAP (Family Advocacy Program).

EDUCATION**MASTERS OF BUSINESS ADMINISTRATION DEGREE
IN HEALTHCARE ADMINISTRATION - 2001**

Rivier College, Nashua

MASTERS OF SCIENCE IN EDUCATION (COUNSELING) - 1986

University of Southern California

BACHELORS IN EDUCATION (SPECIAL EDUCATION) –1974

Westfield State College, Westfield, MA

LICENSES AND CERTIFICATIONS**LICENSED CLINICAL MENTAL HEALTH COUNSELOR**

New Hampshire License #100 – 1998

MASTERS ADDICTION COUNSELOR CERTIFICATION

1997

	<p>individual line counts, and organizational charts for account utilization and resource mapping</p> <ul style="list-style-type: none"> • Approve time card for temporary employees, main contact for temporary agencies and responsible for hiring/releasing of temporary employees. • Main contact for all customers and service providers located in the Latin America territory. • Provided Financial Support for account closing. <p>Quality Controller/ System Support Administrator June 2003 – February 2004</p> <ul style="list-style-type: none"> • Main contact between administrators and system support to prioritize technical errors. • Responsible for weekly, monthly and quarterly quality review reporting. • Responsible for weekly and monthly geography reports. • Maintain all employee related spreadsheets updated. • Manage quality review reports to ensure policies and procedures are being followed. • Mentoring new hires in their assigned positions. • Communicating with manager for tools necessary for team. • Categorize and notify managers of any performance issues. • Provide support for team members with problem solving. <p>Per Event Administrator August 2001 – June 2003</p> <ul style="list-style-type: none"> • Responsible for billing revenue. • Maintenance of contracts, including service changes and billing. • General office filing and organization. • Data Entry. • Assisting customer needs. • Solving any customer issues. • Revenue booking and customer assistance for Latin America/Caribbean territory. • Assistant and service provided for all customer located in the Latin America/Caribbean/Europe territory 	
Skills	<ul style="list-style-type: none"> • Windows 98/2000/XP/7 • SIFT – Financial Database • Microsoft Office • Fundware/F9 	<ul style="list-style-type: none"> • PEARS/CHAMP/WFM • NCAS/SAP • SAGE - MIP • Fluent in Portuguese
Education	<p>Hesser College</p> <ul style="list-style-type: none"> • Bachelor of Science, Business Administration –concentration in Finance – Oct 2005 • Trained Medical Translator – Portuguese • Fluent in Portuguese and Proficient in Spanish <p>Southern NH University</p> <ul style="list-style-type: none"> • Pursuing MBA and Financial/International Business Certification. 	

Christopher Gartland

Objective

To utilize the skills of over 20 years in health/mental health care.

Experience

Oct. 2010 - Present

Harbor Homes, Inc.

Nashua, NH

Shelter Coordinator

- Responsible for overall functioning of the Shelter: including supervision of case management of all shelter guests, resolving complaints from shelter guest, assuring that house rules are adhered to, ensuring environment meets the regulations of shelter. Reviewing all HMIS paperwork and assuring all information is reported. Ensuring adequate amount of supplies; i.e. Bedding, food, etc. for shelter guests.
- Responsible for the ongoing training of shelter staff, resolving any staff complaints, ensuring that the shelter is staffed 24 hrs.
Fostering and maintaining relationships with outside resources and updating information on resource file.
Attendance and involvement in all city wide events for the homeless.
Advocating for the homeless.
Work directly with the Community Mental Health Agency so to ensure that all guest with mental Health issues receive the necessary care for their illness.
Provide Functional Support Services to shelter guest with prescribed FSS services.
Work directly with the Harbor Clinic at HHI so to ensure that guest receive the health services they Need.
Responsible for screening all new guests and monitoring waiting list and doing intakes on all new Guest and case management to assigned guest.
Work with Program Manager and Asst. Manager and coordinating all other necessary services.
Crisis Intervention as needed.

November 1999 –
October 2010

Harbor Homes, Inc.

Nashua, NH

Functional Support Service Worker, IMR Practitioner, and Floater for Chestnut St. Group Home.

- FSS: provide therapeutic behavioral services, to the mentally ill, in areas: ADL's, Interpersonal Skills, Adaption to Change, and Task Performance. Crisis Intervention as needed and Medication Services as needed.
 - Work closely with Mental Health Agency as a team member so as to provide the highest quality of services to the client. Advocate for clients needs.
 - Work with clients on IMR in regards to supporting them in setting their own goals and steps to follow through to reach these goals, utilizing the IMR Handbook.
Staff for a group home with 10 residents, providing FSS services, and support with ADL, Interpersonal, Adaption to Change, and Task Performance. Responsible for monitoring of self-administration of medications, and crisis intervention as needed.
-

March 1998 – June 2001

Mass. General Hospital

Boston, MA

Operations Coordinator

- Responsible for the environment of care for 2 medical units and psychiatric unit, ensuring that environment of care meets all standards of Public Health and Safety, and JACHO regulations. Responsible that all units are adequately supplied with all necessary medical supplies. Responsible for reviewing systems and making changes to more adequately meet staff /unit needs.
- Responsible for the hiring, firing, training, counseling and direct supervision for Support Staff and Unit Service Providers on all assigned units. Include leading Staff Meeting each week, resolve conflicts with other staff, scheduling 24 hour coverage.
Foster and maintain relationships with all departments in patient care services and work closely to provide the highest quality of service for patients.
Work with admitting and D/C case managers to ensure the smooth transition of patients either to inpatient or home.
Responsible for training all staff in preparation for all inspections, including Public Health and Safety and JACHO. Also responsible for ensuring units are prepared for inspections.
Work closely as a member of a Management Triad including: Nurse Manager, Clinical Specialist
In ensuring that all needs of clients are met.
In the Inpatient Psychiatric Unit responsible for tracking all legal information on patients regarding Commitments, Voluntary and Involuntary Admissions. Ensuring that all patients receive all necessary Legal paperwork and know of their rights to counsel.

Education

1982 - 1986

St. John's Seminary College

Brighton, MA

BA in Philosophy/Psychology

Apostolic Ministry: Haley House: Ministry to the Homeless Boston, MA

1990

Bentley College

Waltham, MA

Paralegal Certificate

Awards

1992

Mount Auburn Hospital Employee of the Month

2000

Mass. General Hospital: Partnership in Excellence Award

2008

Harbor Homes, Inc.: Adam Gurekis Award for Outstanding
Functional Support Provider.

References

References are available on request.

Harbor Homes Inc.

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Peter Kelleher	President & CEO	\$115,856	2%	\$2,317
Carol Furlong	VP of Operations	\$93,496	2%	\$1,870
Ana Pancine	Finance Specialist	\$60,000	5%	\$3,000
Brian Boyer	Program Manager	\$50,000	10%	\$5,000

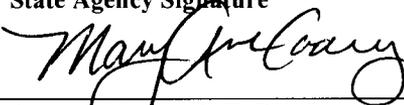
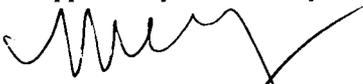
Subject: Continuum of Care Program - Rapid Rehousing

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services Office of Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Southwestern Community Services, Inc.		1.4 Contractor Address 63 Community Way P.O. Box 603 Keene, NH 03431-0603	
1.5 Contractor Phone Number (603) 352-7512	1.6 Account Number 05-95-42-423010-7927-102-500731	1.7 Completion Date December 31, 2015	1.8 Price Limitation \$104,935
1.9 Contracting Officer for State Agency Eric D. Borrin		1.10 State Agency Telephone Number [(603) 271-9558]	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory John A. Manning Chief Executive Officer	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Cheshire</u> On <u>10/9/14</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.14 Signature of Notary Public or Justice of the Peace 			
1.15 Name and Title of Notary Public or Justice of the Peace William A. Tomlin, Notary			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Mary Ann Cooney Associate Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Megan A. Yagle - Attorney On: <u>11/24/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

JM
10/9/14

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

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

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

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

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

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

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

14. INSURANCE.

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

Contractor Initials: gm
Date: 10/9/14

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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



Exhibit A

SCOPE OF SERVICES

Continuum of Care Program

1. **CONDITIONAL NATURE OF AGREEMENT**

1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care Grant. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the Continuum of Care Grant.

2. **SERVICES**

2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, the Contractor shall provide a permanent housing program that shall serve fourteen (14) homeless individuals with disabilities.

2.2. The goal of this program is to facilitate the movement of homeless individuals to permanent housing and maximum self-sufficiency.

2.3. To be eligible for contract services, individuals must be homeless as defined in HUD regulations. The Contractor must obtain and retain appropriate documentation.

2.4. The Contractor shall provide these services according to HUD regulations as outlined in Public Law 102-550, 24 CFR Part 578 Homeless Emergency Assistance and Rapid Transition to Housing; Continuum of Care Program interim rule, and other written HUD policies and directives.

2.5. Each program participant shall have an employment assessment and employment goals included in the individual service plan, as appropriate.

3. **PROGRAM REPORTING REQUIREMENTS**

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report: Within thirty (30) days after the Completion Date, an Annual Performance Report (APR) shall be submitted to the BHHS that summarizes the results of the Project Activities, showing in particular how the Project Activities have been performed. The Annual Performance Report shall be in the form required or specified by the State.

3.1.2. Other Reports as requested by the State.

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Current NH HMIS policy can be accessed electronically through the following website: <http://www.nh-hmis.org>.



Exhibit A

3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by the BHHS.

4. CONTRACT ADMINISTRATION

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

5. FINANCIAL

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

5.1.1. Operating expenses

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

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

5.1.2. Supportive services

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

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Exhibit A

- 5.1.2.2. Eligible costs include mental health services, case management services, salaries of Contractor staff providing supportive services, reasonable one-time moving costs (truck rental and hiring a moving company), child-care costs for establishing and operating child care, and providing child-care vouchers for children from families experiencing homelessness (including providing meals and snacks and comprehensive and coordinated developmental activities), education services, employment assistance and job training skills, housing search and counseling services, legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing), outpatient health services, transportation services, and utility deposits.
- 5.1.2.3. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.

5.1.3. Rental Assistance

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

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Exhibit A

- 5.1.3.7. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
- 5.1.3.8. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and sub recipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid ReHousing program component must be tenant based rental assistance.
- 5.1.3.9. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.1.3.10. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.1.3.11. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.
- 5.1.4. Administrative costs.
- 5.1.4.1. Administrative costs include: Preparing program budgets, schedules and amendments, developing systems for assuring compliance with program requirements, developing interagency agreements and agreements with sub recipients and contractors to carry out program activities, preparing reports and other documents related to the program for submission to HUD, evaluating program results against stated objectives, travel costs incurred for official business in carrying out the program, administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services), and other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).
- 5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).
- 5.2.1. The contractor must match all grant funds except for leasing funds, with no less than twenty-five percent of funds or in-kind contributions from other sources.
- 5.2.2. Match requirements are to be documented with each payment request.


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New Hampshire Department of Health and Human Services
Continuum of Care Program – Rapid Rehousing



Exhibit A

- 5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 4.1. The Contractor must have written approval from the State prior to billing for any other expenses.
- 5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 583.315). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
- 5.5. The contractor shall have any staff charged in full or part to this contract or counted as match complete weekly or bi-weekly timesheets.

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METHOD AND CONDITIONS PRECEDENT TO PAYMENT

Continuum of Care Program

The following financial conditions apply to the scope of services as detailed in Exhibit A – Continuum of Care Program.

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

NH General Fund: Not applicable
Federal Funds: 100% NH0074L1T001301
CFDA #: 14.267
Federal Agency: U.S. Department of Housing & Urban Development
Program Title: Continuum of Care Program, Rapid Rehousing

Total Amount Continuum of Care Program;

January 1, 2015 – December 31, 2015: not to exceed \$104,935

Funds allocation under this agreement for Continuum of Care Program;

Supportive Services: \$21,116
Leasing or Rental Assistance: \$81,084
Administrative Costs: \$2,735
Total Program Amount: \$104,935

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

2. REPORTS

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

- 2.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with the regulations that implement OMB Circular A-133. Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State.
- 2.2. Where the Contractor is not subject to the requirements of OMB Circular A-133, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

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Exhibit B

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

- 3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in OMB Circular A-87 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of OMB Circular A-122.
- 3.2. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount not to exceed as specified above. Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor shall provide additional financial information if requested by the State to verify expenses.
- 3.3. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture pursuant to 24 CFR Subsection 576.55. The funds authorized to be expended under this Agreement shall be used only for operations, supportive services, leasing, rental assistance and administration or reimbursement for expenditures for operations, supportive services, leasing, and rental assistance and administration, provided by the Contractor for the project period and operating years of the Continuum of Care Program as approved by HUD and in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578.

4. USE OF GRANT FUNDS

- 4.1. The State agrees to provide payment for actual costs, up to the not to exceed amount for the Continuum of Care Program as specified in this Exhibit, as defined by HUD under the provisions of P.L. 102-550 and applicable regulations.
- 4.2. The Contractor may amend the contract budget through line item increases, decreases or the creation of new line items provided these amendments do not exceed the contract price. Such amendments shall only be made upon written request to and written approval from the State.

**New Hampshire Department of Health and Human Services
Continuum of Care Program – Rapid Rehousing**



Exhibit B

- 4.3. Conformance to OMB Circular A-110: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in OMB Circular A-110.
5. CONTRACTOR FINANCIAL MANAGEMENT SYSTEM
 - 5.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
 - 5.2. The Contractor shall maintain a financial management system that complies with Attachment G of A-102, "Standards of Contractor Financial Management Systems" or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3.2 of this Agreement.

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SPECIAL PROVISIONS

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

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



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

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

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

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New Hampshire Department of Health and Human Services
Exhibit C



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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

16. **Equal Employment Opportunity Plan (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or

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

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

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

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

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

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

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

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
 - 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
 - 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
 - 19.3. Monitor the subcontractor's performance on an ongoing basis



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

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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

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REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
 4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.

2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;
 - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
 - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
 - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
 - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
 - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

3. Subparagraph 14.1.1 of the General Provisions of this contract, is deleted and the following subparagraph is added:
 - 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence with additional general liability umbrella coverage of not less than \$1,000,000; and



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

New Hampshire Department of Health and Human Services
Exhibit D



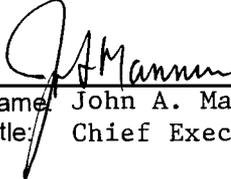
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted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

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

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

Contractor Name: Southwestern Community Services, Inc.

10/9/14
Date


Name: John A. Manning
Title: Chief Executive Officer



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

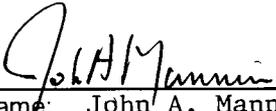
The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: Southwestern Community Services, Inc.

10/9/14
Date


Name: John A. Manning
Title: Chief Executive Officer



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

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

INSTRUCTIONS FOR CERTIFICATION

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



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

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

PRIMARY COVERED TRANSACTIONS

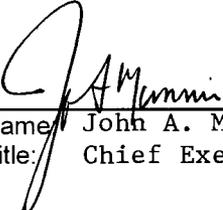
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 -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

LOWER TIER COVERED TRANSACTIONS

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

Contractor Name: Southwestern Community Services, Inc.

10/9/14
Date


Name: John A. Manning
Title: Chief Executive Officer



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

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

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

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

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

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

New Hampshire Department of Health and Human Services
Exhibit G



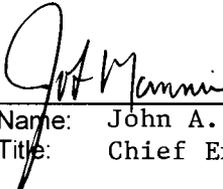
against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

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

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

Contractor Name: Southwestern Community Services, Inc.

10/9/14
Date


Name: John A. Manning
Title: Chief Executive Officer



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Contractor Name: Southwestern Community Services, Inc.

10/9/14
Date



Name: John A. Manning
Title: Chief Executive Officer



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) **Definitions.**

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

JM



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

JM

10/9/14



Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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



Exhibit I

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

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

JM

10/9/14



Exhibit I

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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



Exhibit I

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

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

NH DHHS
The State

Mary Ann Cooney
Signature of Authorized Representative

Mary Ann Cooney
Name of Authorized Representative

Associate Commissioner
Title of Authorized Representative

11/19/14
Date

Southwestern Community Services, Inc.
Name of the Contractor

John A. Manning
Signature of Authorized Representative

John A. Manning
Name of Authorized Representative

Chief Executive Officer
Title of Authorized Representative

October 9, 2014
Date



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

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

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

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

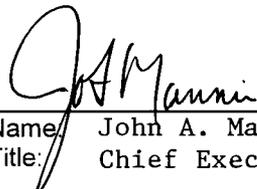
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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

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

Contractor Name: Southwestern Community Services, Inc.

10/9/14
Date


Name: John A. Manning
Title: Chief Executive Officer

New Hampshire Department of Health and Human Services
Exhibit J



FORM A

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

1. The DUNS number for your entity is: 081251381
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

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: _____

Jm

State of New Hampshire
Department of State

CERTIFICATE

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



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 11th day of April A.D. 2014

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

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

1. I am a duly elected Officer of Southwestern Community Services, Inc.
(Agency Name)

2. The following is a true copy of two resolution duly adopted at a meeting of the Board of Directors of the Agency
duly held on 4/27/12 :
(Date)

RESOLVED: That the Chief Executive Officer
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to
execute any and all documents, agreements and other instruments, and any amendments, revisions,
or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of
the 9th day of October, 2014 .
(Date Contract Signed)

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

of the Agency.

Elaine M. Amer
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Cheshire

The forgoing instrument was acknowledged before me this 9th day of October, 2014 .

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

Jill A. Tomlin
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: _____





Southwestern Community Services

Over 45 years of people helping people in Cheshire and Sullivan counties

Vision Statement

SCS seeks to create and support a climate within the communities of southwestern New Hampshire wherein *poverty is never accepted* as a chronic or permanent condition of any person's life.

Mission Statement

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

Community Statement

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

63 Community Way
PO Box 603
Keene, NH 03431-0603
Phone: (603) 352-7512
Fax: (603) 352-3618



Call Toll Free: (800) 529-0005
TTY-NH: (800) 735-2964

96-102 Main Street
PO Box 1338
Claremont, NH 03743
Phone: (603)-542-9528
Fax: (603) 542-3140

Southwestern Community Services, Inc.

**Independent Auditors' Reports and
Management's Financial Statements**

May 31, 2013

Ron L. Beaulieu & Company

CERTIFIED PUBLIC ACCOUNTANTS

SOUTHWESTERN COMMUNITY SERVICES, INC.

MAY 31, 2013

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Ron L. Beaulieu & Company

CERTIFIED PUBLIC ACCOUNTANTS

www.rlbc.com
accting@rlbc.com

41 Bates Street
Portland, Maine 04103

Tel: (207) 775-1717
Fax: (207) 775-7103

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying combined financial statements of Southwestern Community Services, Inc., which comprise the combined statements of financial position as of May 31, 2013 and 2012, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Southwestern Community Services, Inc. as of May 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2014, on our consideration of Southwestern Community Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southwestern Community Services, Inc.'s internal control over financial reporting and compliance.

Ron L. Beaulieu & Co.

Portland, Maine
February 28, 2014

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION
MAY 31,

	2013	(RESTATED) 2012
CURRENT ASSETS		
Cash	\$ 223,568	\$ 455,760
Accounts receivable (net)	160,511	215,810
Accounts receivable (net) - related	685,444	485,577
Draw receivable (net)	80,404	-
Contracts receivable (net)	623,820	429,916
Notes receivable, current portion (net) - related	4,447	5,838
Prepaid expenses	17,847	15,292
Inventory	149,113	256,953
Total current assets	1,945,154	1,865,146
FIXED ASSETS		
Real estate	12,452,359	11,252,170
Vehicles and equipment	891,619	872,379
Furniture and fixtures	20,361	20,361
Total fixed assets	13,364,339	12,144,910
Less - accumulated depreciation	(4,155,147)	(3,659,159)
Net fixed assets	9,209,192	8,485,751
OTHER ASSETS		
Investments in L.P.'s	100,700	100,700
Notes receivable from L.P.'s, less current portion (net)	142,000	142,409
Due from related L.P.'s	263,205	263,205
Accounts receivable from related L.P.'s, less current portion (net)	195,803	45,140
Cash escrow funds	150,136	116,982
Security deposits	15,306	14,367
Other assets	591	660
Total other assets	867,741	683,463
TOTAL ASSETS	\$ 12,022,087	\$ 11,034,360
CURRENT LIABILITIES		
Accounts payable	749,783	442,450
Accrued expenses	28,506	-
Accrued payroll and payroll taxes	133,537	9,207
Accrued compensated absences	119,350	140,884
Other current liabilities	24,444	27,651
Deferred revenue	275,810	359,313
Line of credit	299,953	299,953
Current portion of long-term debt	93,210	200,573
Total current liabilities	1,724,593	1,480,031
LONG-TERM DEBT, less current portion	7,341,401	6,395,875
TOTAL LIABILITIES	9,065,994	7,875,906
NET ASSETS		
Unrestricted	2,956,093	3,158,454
TOTAL NET ASSETS	2,956,093	3,158,454
TOTAL LIABILITIES AND NET ASSETS	\$ 12,022,087	\$ 11,034,360

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENTS OF ACTIVITIES
YEARS ENDED MAY 31,

	2013	(RESTATED) 2012
REVENUES:		
Government contracts	\$ 10,082,596	\$ 13,340,183
Program service fees	2,142,000	2,196,888
Rental income	288,758	628,044
Developer income	138,250	531,250
Support	334,394	324,103
Fundraising	95,276	98,437
Interest income	223	1,464
Sale of buildings	249,000	-
Gain (loss) on disposal of fixed assets	-	(5,625)
Realized investment gain (loss)	-	-
Gain (loss) on increase in LP investment	-	(201,358)
Forgiveness of debt	371,276	550,000
Miscellaneous	134,783	215,910
In-kind contributions	458,086	673,276
TOTAL REVENUES	14,294,642	18,352,572
EXPENSES:		
Program services:		
Home energy programs	4,659,695	5,239,772
Education and nutrition	2,179,930	2,564,317
Special needs	786,262	721,838
Housing and homeless services	4,603,230	7,582,404
Economic development services	306,753	327,437
Other programs	325,719	310,628
Total program services	12,861,589	16,746,396
Support services:		
Management and general	1,635,414	1,402,828
Total support services	1,635,414	1,402,828
TOTAL EXPENSES	14,497,003	18,149,224
INCREASE (DECREASE) IN NET ASSETS	(202,361)	203,348
NET ASSETS - JUNE 1	3,158,454	3,098,439
PRIOR PERIOD ADJUSTMENT	-	(143,333)
NET ASSETS - JUNE 1 (RESTATED)	3,158,454	2,955,106
NET ASSETS - MAY 31	\$ 2,956,093	\$ 3,158,454

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2013

	Program Services			
	Home Energy Programs	Education and Nutrition	Special Needs	Housing and Homeless Services
Payroll	\$ 445,150	\$ 879,518	\$ 418,771	\$ 1,296,100
Payroll taxes	47,229	127,270	46,971	119,634
Payroll benefits	130,160	331,475	168,623	304,766
Retirement	30,738	56,275	16,964	69,858
Advertising	-	1,478	13,260	12,865
Bank charges	-	-	-	2,416
Computer cost	-	-	-	-
Contractual	639,599	12,564	29,500	470,644
Depreciation	7,902	11,128	4,322	262,157
Dues/registrations	-	4,072	530	2,005
Duplicating	66	-	424	7,867
Insurance	2,234	11,485	5,141	69,968
Interest	-	-	503	183,439
Management fees	-	-	-	24,150
Meeting & conference	-	514	100	11,781
Miscellaneous expense	39,060	923	3,843	314,544
Equipment purchases	783	1,859	-	9,429
Office expense	952	2,853	2,179	-
Postage	12,962	105	147	6,560
Professional	3,500	-	-	18,405
Staff development & training	3,569	27,627	3,795	7,064
Subscriptions	-	-	-	257
Telephone	8,174	-	4,249	45,471
Fax	-	-	17	67
Travel	3,840	18,843	1,964	19,464
Vehicle	12,003	8,744	12,426	52,146
Rent	1,319	-	17,604	2,052
Space costs	-	58,045	568	509,389
Direct client assistance	3,269,835	-	-	31,837
Other direct program costs	620	167,066	34,361	748,895
In-kind expenses	-	458,086	-	-
TOTAL EXPENSES	\$ 4,659,695	\$ 2,179,930	\$ 786,262	\$ 4,603,230

See accompanying independent auditors' report and notes to financial statements.

**SOUTHWESTERN COMMUNITY SERVICES, INC.
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED MAY 31, 2013**

	Program Services		Support Services	Total Expenses
	Economic Development Programs	Other Programs	Management and General	
Payroll	\$ 195,588	\$ -	\$ 804,774	\$ 4,039,901
Payroll taxes	20,221	-	75,848	437,173
Payroll benefits	52,995	-	103,767	1,091,786
Retirement	6,155	-	70,254	250,244
Advertising	128	-	(496)	27,235
Bank charges	-	-	-	2,416
Computer cost	-	-	9,302	9,302
Contractual	-	232,869	90,099	1,475,275
Depreciation	-	-	210,548	496,057
Dues/registration	30	9,234	2,360	18,231
Duplicating	470	-	-	8,827
Insurance	814	3,884	12,888	106,414
Interest	-	-	10,109	194,051
Management fees	-	-	-	24,150
Meeting & conference	-	4,913	28,187	45,495
Miscellaneous expense	64	11,050	93,986	463,470
Equipment purchases	754	-	-	12,825
Office expense	-	-	701	6,685
Postage	813	-	-	20,587
Professional	-	-	93,316	115,221
Staff development & training	-	-	13,428	55,483
Subscriptions	245	-	892	1,394
Telephone	5,650	667	-	64,211
Fax	-	-	-	84
Travel	5,854	-	2,749	52,714
Vehicle	-	45,770	-	131,089
Rent	159	-	-	21,134
Space costs	223	9,255	143	577,623
Direct client assistance	16,590	-	-	3,318,262
Other direct program costs	-	8,077	12,559	971,578
In-kind expenses	-	-	-	458,086
TOTAL EXPENSES	\$ 306,753	\$ 325,719	\$ 1,635,414	\$ 14,497,003

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES (RESTATED)
YEAR ENDED MAY 31, 2012

	Program Services			
	Home Energy Programs	Education and Nutrition	Special Needs	Housing and Homeless Services
Payroll	\$ 581,337	\$ 962,599	\$ 402,221	\$ 1,298,504
Payroll taxes	53,459	110,843	39,149	110,959
Payroll benefits	151,105	348,619	131,131	300,164
Retirement	40,584	63,297	11,510	82,647
Advertising	494	3,018	-	5,680
Bank charges	-	-	-	3,480
Computer cost	10,780	-	3,910	19,859
Contractual	1,032,729	4,045	8,862	3,428,709
Depreciation	7,902	27,108	3,520	266,627
Dues/registrations	-	87	525	2,256
Duplicating	377	-	784	4,631
Insurance	10,507	10,708	5,055	120,265
Interest	-	-	681	196,085
Management fees	-	-	-	52,429
Meeting & conference	7,036	-	70	12,810
Miscellaneous expense	1,884	1,311	2,672	47,603
Equipment purchases	1,172	3,219	-	13,129
Office expense	14,666	7,141	2,728	22,685
Postage	11,586	2,017	113	8,204
Professional	-	-	-	67,119
Staff development & training	13,327	15,513	4,818	9,563
Subscriptions	-	-	-	350
Telephone	13,120	-	3,938	47,739
Fax	-	-	44	153
Travel	2,972	21,684	1,914	19,205
Vehicle	11,646	7,606	11,175	59,371
Rent	13,658	-	34,904	25,571
Space costs	-	67,624	149	605,061
Direct client assistance	3,258,373	-	-	45,066
Other direct program costs	1,058	234,602	51,965	706,480
In-kind expenses	-	673,276	-	-
TOTAL EXPENSES	\$ 5,239,772	\$ 2,564,317	\$ 721,838	\$ 7,582,404

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES (RESTATED)
YEAR ENDED MAY 31, 2012

	Program Services		Support Services	Total Expenses
	Economic Development Programs	Other Programs	Management and General	
Payroll	\$ 198,567	\$ 60,612	\$ 697,170	\$ 4,201,010
Payroll taxes	19,324	3,572	66,211	403,517
Payroll benefits	60,347	28,170	5,124	1,024,660
Retirement	7,692	1,937	64,271	271,938
Advertising	-	-	636	9,828
Bank charges	-	-	-	3,480
Computer cost	1,105	-	37,011	72,665
Contractual	-	91,631	97,568	4,663,544
Depreciation	-	-	199,219	504,376
Dues/registrations	-	8,649	2,645	14,162
Duplicating	515	-	-	6,307
Insurance	773	4,156	4,809	156,273
Interest	-	-	9,949	206,715
Management fees	-	-	-	52,429
Meeting & conference	-	15,640	31,142	66,698
Miscellaneous expense	464	5,868	51,420	111,222
Equipment purchases	-	-	-	17,520
Office expense	5,356	615	1,568	54,759
Postage	324	19	8,001	30,264
Professional	-	-	46,131	113,250
Staff development & training	(100)	437	14,582	58,140
Subscriptions	426	-	1,955	2,731
Telephone	7,246	1,910	6,209	80,162
Fax	-	-	-	197
Travel	9,026	1,767	2,251	58,819
Vehicle	-	50,031	71	139,900
Rent	1,747	24,000	-	99,880
Space costs	266	8,702	940	682,742
Direct client assistance	13,954	668	-	3,318,061
Other direct program costs	405	2,244	53,945	1,050,699
In-kind expenditures	-	-	-	673,276
TOTAL EXPENSES	\$ 327,437	\$ 310,628	\$ 1,402,828	\$ 18,149,224

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED MAY 31,

	(RESTATED)	
	2013	2012
OPERATING ACTIVITIES		
Change in net assets	\$ (202,361)	\$ 203,348
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	495,988	504,307
Amortization	69	69
(Gain) / loss on sale of fixed assets	-	5,625
(Gain) / loss on sale of investments	-	-
(Gain) / loss on increase in LP investment	-	201,358
(Gain) / loss on forgiveness of debt	(371,276)	(550,000)
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable	55,299	79,423
(Increase) decrease in accounts receivable - related	(199,867)	259,073
(Increase) decrease in draw receivable	(80,404)	-
(Increase) decrease in contracts receivable	(193,904)	319,430
(Increase) decrease in prepaid expenses	(2,555)	(13,587)
(Increase) decrease in inventory	107,840	(256,953)
(Increase) decrease in accounts receivable, less curr. port. - related	(150,663)	45,140
(Increase) decrease in due from related limited partnerships	-	25,123
(Increase) decrease in escrow funds	(33,154)	8,393
(Increase) decrease in security deposits	(939)	(14,367)
Increase (decrease) in accounts payable	307,333	(174,176)
Increase (decrease) in accrued expenses	28,506	-
Increase (decrease) in accrued payroll	124,330	(196,028)
Increase (decrease) in accrued compensated absences	(21,534)	(11,542)
Increase (decrease) in other current liabilities	(3,207)	24,789
Increase (decrease) in deferred revenue	(83,502)	(145,985)
Increase (decrease) in line of credit	-	50,000
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(224,001)	363,440
INVESTING ACTIVITIES		
Purchase of fixed assets	(1,219,430)	(77,173)
Proceeds from sale of fixed assets	-	144,375
(Increase) decrease in notes receivable	1,800	772
Proceeds from sale of investments	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(1,217,630)	67,974
FINANCING ACTIVITIES		
Proceeds from long-term debt	1,305,314	-
Payments on long-term debt	(95,875)	(98,250)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	1,209,439	(98,250)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(232,192)	333,164
CASH AND CASH EQUIVALENTS - JUNE 1	455,760	122,596
CASH AND CASH EQUIVALENTS - MAY 31	\$ 223,568	\$ 455,760
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	\$ 184,186	\$ 196,886

See accompanying independent auditors' report and notes to financial statements.

**SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2013 AND 2012**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

Basis of Accounting

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

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

Cash Equivalents

The Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

The accounts receivable allowance for doubtful accounts is based upon an analysis of the aged accounts receivable listing.

The accounts receivable - related allowance for doubtful accounts is based upon an analysis of the aged accounts receivable listing.

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2013 AND 2012

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The contracts receivable allowance for doubtful accounts is based upon management's assessment of the credit history with customers having outstanding balances and current relationships with them.

The notes receivable allowance for doubtful accounts is based upon an analysis of the aged notes receivable listing.

Inventory

Materials are valued at the lower of cost or market, using the first-in, first-out method.

Fixed Assets

Fixed assets acquired by the Corporation are capitalized at cost or, if donated, at the approximate value at the date of donation. It is the policy of the Corporation to capitalize all fixed assets over \$5,000.

Depreciation

Fixed assets are depreciated over their estimated useful lives on a straight-line or accelerated method.

Deferred Revenue

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

In-kind Support

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

Advertising

The Corporation uses advertising to promote programs among the people it serves. The production costs of advertising are expensed as incurred.

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2013 AND 2012

NOTE 2 - RISKS AND UNCERTAINTIES

Nature of Operations

The Corporation is operated in a heavily regulated environment. The operations of the Corporation are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules, and regulations are subject to change by an act of Congress or Legislature. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Current Vulnerabilities Due to Certain Concentrations

Southwestern Community Services, Inc., maintains its cash balances in various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation and the balances may exceed the insured limit. It is the opinion of management that the solvency of the referenced financial institution is of no particular concern at this time.

A large percentage of the Corporations' revenues are from two contractors, the Federal Government and the State Government. It is always considered to be at least reasonably possible that any contractor could be lost in the near term, but management feels this risk is of no particular concern at this time.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Significant Estimates

None of the estimates used in preparing the financial statements are considered significant.

NOTE 3 - ACCOUNTS RECEIVABLE AND CONTRACTS RECEIVABLE

Accounts and contracts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Allowance for doubtful accounts was estimated at \$0 and \$0, on May 31, 2013 and 2012.

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2013 AND 2012

NOTE 4 - NOTES RECEIVABLE

Notes receivable are stated at the amount that is expected to be collected at year-end. Interest income is recorded on the accrual basis.

The allowance for loan loss has been estimated at \$0 and \$0 as of May 31, 2013 and 2012, respectively.

NOTE 5 - INVESTMENTS

Investments are reported at their fair value at year end. Although the Corporation 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 year end.

The fair value measurement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy has three levels which are described below.

Level 1 Fair Value Measurements

The fair values of investments are based on the closing price reported on the active market where the individual securities are traded.

Level 2 Fair Value Measurements

The fair values of investments are based on the market approach using quoted prices reported on the active market for similar assets, or they are based on the market approach using quoted prices reported on a market that is not active for identical or similar assets.

Level 3 Fair Value Measurements

The fair value of certain investments which are not actively traded and significant other observable inputs are not available. In this case, management decides what the best valuation technique to use is.

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2013 AND 2012

NOTE 5 – INVESTMENTS (CONTINUED)

The investments of the Corporation consisted of the following as of May 31,:

			May 31, 2013		
Description	Cost	Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Limited partnerships	100,700	100,700	-	-	100,700
Total	<u>\$ 100,700</u>	<u>\$ 100,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,700</u>

			May 31, 2012		
Description	Cost	Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Limited partnerships	100,700	100,700	-	-	100,700
Total	<u>\$ 100,700</u>	<u>\$ 100,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,700</u>

The activities of the Corporation's investments account are summarized as follows:

	2013	2012
Fair Value - June 1	\$ 100,700	\$ 100,500
Investment income	-	-
Investment fees	-	-
Additions	-	200
Distributions	-	-
Realized gains (losses)	-	-
Unrealized gains (losses)	-	-
Fair Value - May 31	<u>\$ 100,700</u>	<u>\$ 100,700</u>

NOTE 6 - PLEDGED ASSETS

The following are the assets used as collateral:

Fixed Assets	\$13,343,978
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SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2013 AND 2012

NOTE 7 - LINE OF CREDIT

An available \$250,000 revolving line of credit existed at years ending May 31, 2013 and 2012. Interest was charged at 4.00% and the outstanding balance at years end was \$249,953 and \$249,953, respectively.

An available \$50,000 revolving line of credit existed at years ending May 31, 2013 and 2012. Interest was charged at 4.00% and the outstanding balance at years end was \$50,000 and \$50,000, respectively.

NOTE 8 - LONG-TERM DEBT

Long-term debt consisted of the following as of May 31,:

	<u>2013</u>	<u>2012</u>
1.00% mortgage payable to NH Housing Finance Authority, secured by real estate, payable in monthly installments of \$891 including interest through 2032.	\$ 199,437	\$ 207,370
Non-interest bearing mortgage payable to Community Development Finance Authority, secured by real estate, quarterly principal payments based on operating income formula applied to affordable housing portion of the specified real estate.	32,147	32,147
3.25% note payable to bank, secured by real estate, payable in monthly installments of \$959 including interest through March 2021.	78,659	87,215
0.00% mortgage payable to NH Housing Finance secured by real estate. Payment is deferred for 30 years or until project is sold or refinanced.	250,000	250,000
0.00% mortgage payable to NH Housing Finance secured by real estate. Payment is deferred for 30 years or until project is sold or refinanced.	408,300	408,300
7.25% mortgage payable to bank, secured by real estate, payable in monthly installments of \$2,246 including interest through 2017.	232,171	241,373
10.00% note payable to bank, secured by vehicle, payable in monthly installments of \$407 including interest through 2013.	-	1,970
0.00% note payable to bank secured by vehicle, payable in monthly installments of \$590 through 2013.	-	2,359
0.00% note payable to bank secured by vehicle, payable in monthly installments of \$421 through 2013.	-	1,682

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2013 AND 2012

NOTE 8 - LONG-TERM DEBT (CONTINUED)

	<u>2013</u>	<u>2012</u>
4.375% note payable to Rural Housing Service, secured by real estate, payable in monthly installments of \$11,050 including interest through 2049.	\$ 2,400,973	\$ 2,427,889
0.00% note payable to Cheshire County, secured by real estate, payment is not necessary unless the Corporation defaults on the contract.	460,000	460,000
4.00% note payable to Railroad Land Development, LLC, secured by real estate, payable in interest only annual installments with a final balloon payment of entire principal balance in March of 2015.	63,000	63,000
4.00% note payable to Monadnock Economic Development Corporation, secured by real estate, payable in interest only annual installments with a final balloon payment of entire principal balance in March of 2015.	45,000	45,000
14.65% note payable to GMAC, secured by personal property, payable in monthly installments of \$299 including interest through 2014.	1,687	4,773
5.2% note payable to bank, secured by real estate payable in \$2,769 monthly installments including interest through May of 2014. Beginning in May 2014 payments and interest will be adjusted every five years based on remaining principal balance and "Classic Advantage Rate" provided by Federal Home Loan Bank of Boston through May 2039.	469,007	476,950
6.99% note payable to bank secured by vehicle, payable in monthly installments of \$560 through 2014.	9,049	14,898
5.95% note payable to bank, secured by real estate, payable in monthly installments of \$934 including interest through 2031.	123,213	126,562
1.00% note payable to Town of Walpole, New Hampshire, secured by real estate, accrued interest and principal are due on August 2026.	-	367,600
6.00% note payable to bank, secured by real estate, payable in monthly installments of \$1,351 including interest through April 2016 with a ballon payment of \$123,000.	144,887	152,175

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2013 AND 2012

NOTE 8 - LONG-TERM DEBT (CONTINUED)

	<u>2013</u>	<u>2012</u>
1.00% note payable to Town of Walpole, New Hampshire, secured by real estate, accrued interest and principal are due on December 2025.	\$ 378,961	\$ 375,911
7.00% note payable to bank, secured by real estate, payable in monthly installments of \$807 including interest through December 2025.	84,614	88,148
1.00% note payable to Town of Troy, New Hampshire, secured by real estate, accrued interest and principal are due on November 2025.	364,265	361,126
0.00% loan payable to United States Department of Housing and Urban Development, secured by real estate, no payment is due as long as the property is used for low income housing for 20 years. After 10 years, 10% loan will be forgiven per year. The loan will be fully amortized by January 2026.	250,000	250,000
0.00% loan payable to United States Department of Housing and Urban Development, secured by real estate, no payment is due as long as the property is used for low income housing for 20 years. After 10 years, 10% loan will be forgiven per year. The loan will be fully amortized by January 2025.	150,000	150,000
0.00% note payable to New Hampshire Housing Finance Authority, secured by real estate, payable in yearly payments in the amount of 50% of annual surplus cash. The remaining balance is due on July 2032.	800,000	-
0.00% note payable to County of Cheshire, secured by real estate, of which 5% of the balance is forgiven each year. The remaining balance is due December 31, 2032.	470,000	-
3.99% note payable to bank, secured by personal property, payable in monthly installments of \$385 including interest through 2018.	19,241	-
	<u>\$ 7,434,611</u>	<u>\$ 6,596,448</u>
Current portion	93,210	200,573
Long-term portion	7,341,401	6,395,875
	<u>\$ 7,434,611</u>	<u>\$ 6,596,448</u>

**SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2013 AND 2012**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Principal maturities of long-term debt in each of the next five years, are as follows:

2014	\$	93,210
2015		199,712
2016		214,274
2017		271,864
2018		78,726

NOTE 9 - UNRESTRICTED NET ASSETS

None of the Corporation's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as unrestricted net assets.

NOTE 10 - OPERATING LEASES

The following is a summary of the outstanding operating leases payable:

The Corporation leases five automobiles under non-cancelable lease agreements. The terms of the leases are as follows:

<u>Monthly payments</u>	<u>Expiration Date</u>
\$ 668	September 2013
521	August 2014
416	March 2015
341	April 2015
580	January 2016

Future minimum monthly payments under the leases are as follows:

2014	\$ 24,968
2015	16,434
2016	4,640
2017	-
2018	-

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2013 AND 2012

NOTE 11 - CONTINGENCY

SCS Housing, Inc. is the general partner in fifteen limited partnerships formed to develop low-income housing projects through the use of Low Income Housing Tax Credits. Southwestern Community Services, Inc. and SCS Housing, Inc. have guaranteed repayment of twelve partnerships liabilities in the amount of \$28,136,893. Partnership real estate with a cost basis of approximately \$55,746,514 provides collateral on these loans.

NOTE 12 - RELATED PARTY TRANSACTIONS

During the year ended May 31, 2013, SCS Housing, Inc. managed twelve limited partnerships and had a Brother-Sister relationship with those limited partnerships. Fees charged by SCS Housing, Inc. totaled \$305,641.

During the year ended May 31, 2012, SCS Housing, Inc. managed twelve limited partnerships and had a Brother-Sister relationship with those limited partnerships. Fees charged by SCS Housing, Inc. totaled \$300,827.

NOTE 13 - PENSION PLAN

The Corporation has a defined contribution pension plan offering coverage to all of its employees. The pension expense for the years ended May 31, 2013 and 2012, was \$250,777 and \$273,275, respectively. The plan is a tax-sheltered annuity which is funded by employee contributions and a Corporation match of the employee's contributions.

NOTE 14 - INCOME TAXES

The Corporation and SCS Management Corp. qualified as an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Management believes there is no tax on unrelated business income, therefore no income tax provisions have been made in the accompanying financial statements.

SCS Housing, Inc. is a C Corporation and is subject to income tax. Management does not believe this entity will have taxable income as there is net operating loss carryover for \$586,369 and therefore there is no tax provision.

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

The corporations and partnerships are no longer subject to examinations by compliance authorities for years before 2010.

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2013 AND 2012

NOTE 15 - RESTATEMENT

On the 2012 Statement of Financial Position, inventory was increased by \$256,953 and deferred revenue was increased by \$78,704 to record three rehabilitations of buildings that had not been sold by May 31, 2012. Deferred revenue was decreased by \$400,000 and Long-term debt was increased by \$400,000 for the reclassification of two loans. Deferred revenue was also increased by \$26,667 for the removal of amortization of two loans.

On the 2012 Statement of Activities, the government contracts decreased by \$105,371 and the following expenses were decreased for the year ended May 31, 2012:

Payroll	\$ 15,937
Payroll taxes	1,514
Payroll benefits	1,162
Retirement	1,337
Insurance	1,338
Travel	318
Other direct program costs	235,347
Total	<u>\$ 256,953</u>

NOTE 16 – PRIOR PERIOD ADJUSTMENT

In 2011 and prior years, there was amortization of two loans for \$143,333, which should not have been posted until 2015 and later. Deferred revenue was increased by \$143,333 to remove the amortization that was posted.

NOTE 17 - MANAGEMENT REVIEW

Management has reviewed subsequent events as of February 28, 2014, the date the financial statements were available to be issued. At that time, there were no material subsequent events.

Ron L. Beaulieu & Company
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the financial statements of Southwestern Community Services, Inc. as of and for the year ended May 31, 2013, and have issued our report thereon dated February 28, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of Southwestern Community Services, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Southwestern Community Services, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southwestern Community Services, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. (2013-1 and 2013-2)

Compliance and Other Matters

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

Southwestern Community Services, Inc.'s responses to the findings identified in our audit are described in accompanying schedule of findings and responses. We did not audit Southwestern Community Services, Inc.'s responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, and legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

Ron L. Beaulieu & Co.

Portland, Maine
February 28, 2014

SOUTHWESTERN COMMUNITY SERVICES, INC.
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED MAY 31, 2013

2013-1 Inventory – Work in Process

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

Criteria: Per Generally Accepted Accounting Principles, FASB *Accounting Standards Codification* 330-10-30-1, Inventory Cost, as applied to inventories, cost means the sum of applicable expenditures and charges directly or indirectly incurred in bringing an article to its existing condition and location.

Cause: Error in applying Generally Accepted Accounting Principles.

Effect: A material correcting journal entry was proposed by the auditor to increase inventory and decrease expenses.

Recommendation: Review the criteria above and incorporate it into the accounting process.

Response: Agree

Action Taken: We will review and incorporate into its accounting process FASB Accounting Standards Codification 330-10-30-1.

2013-2 Various asset, liability, and equity accounts

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

Criteria: Best accounting practices.

Cause: The Internal Control Document does not require reconciliations of accounts outside of cash, accounts receivable, and accounts payable.

Effect: Various material adjustments were proposed by the auditor to increase and decrease various asset, liability, and equity accounts.

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

Response: Agree

Action Taken: The CFO and/or Fiscal Director will bring to the Audit Committee of the Board of Directors the current Internal Control Document for review with a recommendation to implement a policy for reconciliations of accounts outside of cash, accounts receivable and accounts payable, at least, at year end.

Southwestern Community Services, Inc. Board of Directors - 2014 -

Elaine Amer / *Clerk/Treasurer*

Dave Edkins

David Hill

Leroy Austin

Beth Fox

Mary Lou Huffling

Anne Beattie

Raymond Gagnon

Peter (Sturdy) Thomas

Scott Croteau / *Vice Chairperson*

Senator Molly Kelly

Vacant

Penny Despres

Louis Gendron

Cathy Paradis

Daisy Heath

Jessie Levine

Kevin Watterson / *Chairperson*

John A. Manning

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

Experience

2014 Southwestern Community Services Inc.
Keene, NH

Chief Executive Officer
Responsible for overall supervision, management, monitoring and fiscal review of Community Action Agency social service programs providing services to low-income, elderly, and handicapped residents of Sullivan and Cheshire Counties, New Hampshire.

1990–2014 Southwestern Community Services Inc.
Keene, NH

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

1985-1995 Keene State College Keene, NH

Adjunct Professor
Taught evening accounting classes for their continuing education program.

1978-1990 John A. Manning, Keene, NH

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

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

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

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

Education American Institute of Certified Public Accountants

Organizations NH Society of Certified Public Accountants

Laurie J. Tyler

Qualifications

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

Professional Experience

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

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

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

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

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

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

Education

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

Other

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

Contractor Name: Southwestern Community Services, Inc.

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
John Manning	CEO	\$119,642	0	0
Laurie Tyler	Director of Housing Stabilization	\$ 51,543	0	0