

TV 86



Virginia M. Barry, Ph.D.  
Commissioner of Education  
Tel. 603-271-3144

Paul Leather  
Deputy Commissioner of Education  
Tel. 603-271-3801

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF EDUCATION  
101 Pleasant Street  
Concord, N.H. 03301  
FAX 603-271-1953  
Citizens Services Line 1-800-339-9900

May 6, 2014

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

**REQUESTED ACTION**

1. Authorize the New Hampshire Department of Education (DOE) to exercise a renewal option to grant the North Country Education Services (NCES) (Vendor Code: 154707) funds to pay for supplemental educational services to be provided by NCES to migrant students and families in an amount not to exceed \$100,000.00. Effective upon Governor and Council approval or July 1, 2014, whichever is later, through June 30, 2015. Originally approved by Governor and Council on June 6, 2012, Item #136A, and renewed on June 19, 2013, Item #206. 100% Federal Funds.

Funding is available in the accounts titled Migrant Education & Migrant Education Consortium Incentive Grant (respectively) as follows:

<u>Account Number</u>	<u>Amount</u>	<u>Year</u>
06-56-56-563010-32660000-082-500599 Education Grants	\$50,000.00	FY 15
06-56-56-563010-32680000-082-500599 Education Grants	\$50,000.00	FY 15

2. Authorize unencumbered payment of said grant with internal accounting control within the DOE. This grant is being funded to NCES using the DOE internal online grant management system as described in the Federal Funds Financial Management Manual.

**EXPLANATION**

The New Hampshire Migrant Education Program (NHMEP) posted an RFP on the DOE website for supplemental educational services for migrant students. NCES was the only response to the RFP. They submitted a complete proposal that was evaluated by three individuals and was given an approval rating by all three. Since we have migratory students statewide this enables us to better serve all our students. NCES will work closely with the NHMEP to ensure the timely delivery of supplemental educational services to migrant students and families.

Her Excellency, Governor Margaret Wood Hassan  
And the Honorable Council  
Page 2, May 6, 2014

The program includes the coordination of services statewide to provide individual and/or small group instruction, child and family advocacy, and instructional material and resources to the target population.

The DOE is exercising their second of two renewal options with NCES since the work thus far has been completed in a satisfactory fashion. They have run the program in an efficient and effective way. Therefore, we are requesting approval for this renewal.

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

Respectfully submitted,

A handwritten signature in black ink that reads "Virginia M. Barry". The signature is written in a cursive, flowing style.

Virginia M. Barry, Ph.D.  
Commissioner of Education

VMB: RV

## MIGRANT EDUCATION PROGRAM (MEP) REQUEST FOR PROPOSAL (RFP) RUBRIC

Business Name: North Country Education Service	IRN:
Reviewers: Barbara Patch, Lynda Thistle-Elliot, Rachel Valladares	Date: 4/26/12

Question	Score	Reviewer Score
1. Description of the bidder's organizational capabilities to deliver the services in a timely manner, including a brief description of their company, a history of their firm and/or personal experiences in developing and implementing a program of this type	0-15	14
2. A comprehensive description of services to be provided	0-25	22
3. Documentation of knowledge of the No Child Left Behind Act of 2001 (NCLB)	0-10	8
4. Documentation of knowledge of the Migrant Education Program and the specific needs of this population.	0-30	26
5. Detailed budget, including budget notes, which clearly explain the relationship between proposed activities and expenditures	0-20	20
<b>Totals:</b>	100	90

The committee members responsible for the review of the provision of supplemental educational services to the Migrant Education Program proposals include the following individuals:

Barbara Patch – Director of Migrant Education Program  
 Lynda Thistle-Elliot – Director of Homeless Education & Title I Coordinator  
 Rachel Valladares – Program Specialist, Migrant Education Program

The scoring for this proposal was conducted employing a consensus model.

The role of the committee members was advisory in nature. They provided information, analysis, and recommendations that were presented to the Commissioner of Education.

The Commissioner of Education reviews the information provided and makes the final decision regarding the award of such grants.

**Question 1:** Description of the bidder's organizational capabilities to deliver the services in a timely manner, including a brief description of their company, a history of their firm and/or personal experiences in developing and implementing a program of this type

Extremely Poor	Below Average	Average	Above Average	Excellent
1 2 3	4 5 6	7 8 9	10 11 12	13 14 15

**Question 2:** A comprehensive description of services to be provided

- To consult, implement, and coordinate the activities and services for the migrant student population with the Department's Migrant Education Staff.
- Provide educational services that address the specific needs of individual migrant students.
- Monitor the planning and implementation of the day-to-day operation of the program.
- Document and collect data on all activities and services for the purpose of the evaluation of the impact of this program.
- Collaborate with other service providers.
- Process the purchase of new equipment and the repair of all inventories equipment.
- Supervise and train personnel associated with this program, including tutors and family service workers.
- Provide for Interstate Technical Assistance for Collaboration Activities

Extremely Poor	Below Average	Average	Above Average	Excellent
1 2 3 4 5	6 7 8 9 10	11 12 13 14 15	16 17 18 19 20	21 22 23 24 25

**Question 3:** Documentation of knowledge of the No Child Left Behind Act of 2001 (NCLB)

Extremely Poor	Below Average	Average	Above Average	Excellent
1 2	3 4	5 6	7 8	9 10

**Question 4:** Documentation of knowledge of the Migrant Education Program and the specific needs of this population

Extremely Poor	Below Average	Average	Above Average	Excellent
1 2 3 4 5 6	7 8 9 10 11 12	13 14 15 16 17 18	19 20 21 22 23 24	25 26 27 28 29 30

**Question 5:** Detailed budget, including budget notes, which clearly explain the relationship between proposed activities and expenditures

Extremely Poor	Below Average	Average	Above Average	Excellent
1 2 3 4	5 6 7 8	9 10 11 12	13 14 15 16	17 18 19 20

PROJECT APPLICATION BUDGET AND DESIGNATION OF APPLICATION MANAGER/ PROJECT MANAGER

PROJECT # \_\_\_\_\_  
CHANGE # \_\_\_\_\_  
PAGE 1 of 2

Federal/State Program Title: Title 1 Part C / New Hampshire Migrant Education Program

FROM: North Country Education Services  
300 Gorham Hill Road  
Gorham, NH 03581

TO: Barbara Patch  
NH Department of Education  
State Office Park South  
101 Pleasant Street  
Concord, New Hampshire 03301-3860

SAU/RA: 524

Proposed Project Title: Migrant Education Program

Project Period: 7/1/2014 to: 06/30/15

\*\*\*The following information is required for all projects\*\*\*

PROJECT MANAGER: NAME: Lori Langlois  
ADDRESS: 300 Gorham Hill Road  
E-MAIL ADDRESS: lori@ncedservices.org

TITLE: Assistant Executive Director  
TELEPHONE: 603-466-5437  
FAX: 603-466-2907

FINANCIAL CONTACT: NAME: Betty Dube  
E-MAIL ADDRESS: finance@ncedservices.org

TELEPHONE: 603-466-5437  
FAX: 603-466-2907

The above named person is designated as Project Manager. I hold the Project Manager responsible for implementing the project in accordance with the approved project, for remaining within the budget limitations, for ensuring that only authorized items required to implement the project are charged to the project, and for initiating request to amend the approved project. No services or supplies will be ordered or charged to the project without written approval of the Project Manager.

THE APPLICANT AGENCY AGREES AND CERTIFIES THAT:

- This grant will be administered in accordance with the applicable provisions of the following federal laws and regulations:
  - Education Department General Administrative Regulations (EDGAR) in Title 34 Code of Federal Regulations (CFR), Parts 74, 75, 76, 77, 79, 80, 82, 85, 86; Civil Rights Regulations in 34 CFR, Parts 100 through 106, and specific program laws and regulations.
  - Any amendments in effect on the date of this grant award or to become effective during the project period are incorporated.
- Grant accounting and financial reporting will be in accordance with New Hampshire Department of Education "Federal Funds Financial Management Manual".
- Authorized funds will be obligated and expended only for the purpose described in the approved project proposal and budget.
- Audits will be in compliance with the Single Audit Act Amendments of 1996 (P.L. 104-156) and U.S. Office of Management and Budget (OMB) Circulars.
- Project approval, if given, will be on the condition that full funding of the Approved Budget and payment by the grantor are contingent upon the availability of a Federal Grant and Appropriation Authority approved by the General Court of New Hampshire or the Governor and Council of this State for this purpose. Neither the State nor the Department of Education shall be liable for payments under this grant except from such funds.

FISCAL AGENT - MAKE CHECKS PAYABLE TO:

North Country Education Services  
300 Gorham Hill Road  
Gorham, NH 03581

APPROVED INDIRECT COST RATE: \_\_\_\_\_ 8 %

Betty A Dube Financial Manager  
PRINT NAME AND TITLE of SAU SUPERINTENDENT OF SCHOOLS

Betty A Dube  
SIGNATURE SAU SUPERINTENDENT OF SCHOOLS  
or SAU/CHIEF FINANCIAL OFFICER

3/18/14  
DATE

BJJ  
3/18/14



# EXHIBIT A

## DESCRIPTION OF SERVICES

Through this Migrant Education Program, NCES would work closely with the NHDOE Migrant Education Program to ensure the timely delivery of supplemental educational services to migrant students and families. The program includes the coordination of services statewide to provide individual and/or small group instruction, child and family advocacy, and instructional material and resources to the target population.

The services provided will be:

- Work with the NHDOE Migrant Education Program staff to coordinate the activities and services for migrant students and families.
- Facilitate the provision on educational services through tutors and family service workers to address the specific needs of individual migrant students.
- Monitor the implementation of the day-to-day operation of the program.
- Collect data documenting the delivery of services to migrant students and reporting that data the NHDOE Migrant Staff and/or project evaluator.
- Collaborate with other relevant service providers in areas such as academic instruction; remedial and compensatory instruction; bilingual and multicultural instruction; vocational instruction; career education services; special guidance; counseling and testing services; health services; and preschool services.
- Purchase and maintain maintenance agreements on equipment as directed by the NHDOE Migrant Education Program staff.
- Supervise and complete criminal background checks on personnel associated with the program.
- Provide training to personnel associated with this program. This may include training in the integration of educational technology if decided upon by the NHDOE Migrant Education Staff.
- Assist the NHDOE Migrant Education in meeting its obligations as part of the Interstate Technical Assistance Consortium.

Contractor Initials

JS

Date

3/18/14

## EXHIBIT B

### ESTIMATED BUDGET: LIMITATION ON PRICE: PAYMENT

Estimated Budget (through June 30, 2015)

Consultants & Contracted Services	\$40,000.00
Salaries (including FICA, NHUC, WC)	\$38,343.00
Materials & Supplies	\$6,750.00
Equipment	\$4,500.00
Other (phone, postage, travel, copying)	\$3,000.00
Indirect Costs 8% (NCES approved rate)	\$7,407.00
Total	\$100,000.00

Limitation on Price: Upon mutual agreement between the state contracting officer and the contractor, line items in this budget may be adjusted one to another but in no case shall the total budget exceed the price limitation of \$100,000.

Method of Payment: Payment is to be made monthly on the basis of invoices which are supported by a summary of activities that have taken place in accordance with the terms of the contract, along with a detailed listing of expenses incurred. If otherwise correct and acceptable, payment will be made for 100% of the expenditures listed. Invoices and reports shall be submitted to:

NH Migrant Education Program  
Department of Education  
101 Pleasant St.  
Concord, NH 03301

Contractor Initials LL

Date 3/18/14

**EXHIBIT C**  
**SPECIAL PROVISIONS**

None

Contractor Initials     *JJ*      
Date     3/18/14

# 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 North Country Education Services Agency is a New Hampshire nonprofit corporation formed October 29, 1971. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 12<sup>th</sup> day of February A.D. 2014

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

William M. Gardner  
Secretary of State

**CERTIFICATE**

(Corporation With Seal)

I Lisa Blais, Clerk/Secretary of the North Country Education Services, do hereby certify that: (1) I am the duly elected and acting Clerk/Secretary of the North Country Education Services, a New Hampshire corporation (the "Corporation"); (2) I maintain and have custody and am familiar

(State of incorporation)

with the seal and minute books of the Corporation; (3) I am duly authorized to issue certificates; (4) the following are true, accurate and complete copies of the resolutions adopted by the Board of Directors of the Corporation at a meeting of the said Board of Directors held on the 18 day of March, 2014, which meeting was duly held in accordance with New Hampshire law and the by-laws of the Corporation:

(State of incorporation)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting by and through the Office of Information Systems of the Department of Health and Human Services, providing for the performance by the Corporation of certain educational services, and that the President (and Vice President) (and the Treasurer) ( or any of them acting singly) be and hereby (is) (are) authorized and directed for and on behalf of this Corporation to enter into the said contract with the State and to take any and all such actions and to execute, seal, acknowledge and deliver for and on behalf of this Corporation any and all documents, agreements and other instruments (and any amendments, revisions or modifications thereto) and (she) (he) (any of them) may deem necessary, desirable or appropriate to accomplish the same;

RESOLVED: That the signature of any officer of this corporation affixed to any instrument or document in or contemplated by these resolutions shall be conclusive evidence of the authority of said officer to bind this Corporation thereby;

(5) the foregoing resolutions have not been revoked, annulled, or amended in any manner whatsoever, and remain in full force and effect as of the date hereof; (6) the following person(s) (has) (have) been duly elected to and now occupy the office(s) indicated below.

Carl Ladd President  
Corinne Cascadden Vice President  
Annemarie Platt Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand as the Clerk/Secretary of the Corporation and have affixed its corporate seal this 18th day of March, 2014.

(SEAL)

Lisa Blais  
Clerk/Secretary

STATE OF New Hampshire  
COUNTY OF Coos

On this the 18th day of March, 2014, before me, Betty A Lemelin-Dube, the undersigned,

personally appeared Lisa Blais, who acknowledged her/himself to be the

Clerk/Secretary of North Country Education Services, a corporation, and that she/he as such Clerk/Secretary being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by her/himself as Clerk/Secretary.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

(SEAL)

Betty A Lemelin-Dube  
Notary Public/Justice of the Peace

My Commission expires:

**BETTY A. LEMELIN-DUBE, Notary Public**  
My Commission Expires November 17, 2015

**BETTY A. LEMELIN-DUBE, Notary Public**  
My Commission Expires November 17, 2015



## CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) is organized under the New Hampshire Revised Statutes Annotated, Chapter 5-B, Pooled Risk Management Programs. In accordance with those statutes, its Trust Agreement and bylaws, Primex<sup>3</sup> is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex<sup>3</sup> is entitled to the categories of coverage set forth below. In addition, Primex<sup>3</sup> may extend the same coverage to non-members. However, any coverage extended to a non-member is subject to all of the terms, conditions, exclusions, amendments, rules, policies and procedures that are applicable to the members of Primex<sup>3</sup>, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex<sup>3</sup> Board of Trustees. The Additional Covered Party's per occurrence limit shall be deemed included in the Member's per occurrence limit, and therefore shall reduce the Member's limit of liability as set forth by the Coverage Documents and Declarations. The limit shown may have been reduced by claims paid on behalf of the member. General Liability coverage is limited to Coverage A (Personal Injury Liability) and Coverage B (Property Damage Liability) only, Coverage's C (Public Officials Errors and Omissions), D (Unfair Employment Practices), E (Employee Benefit Liability) and F (Educator's Legal Liability Claims-Made Coverage) are excluded from this provision of coverage.

The below named entity is a member in good standing of the New Hampshire Public Risk Management Exchange. The coverage provided may, however, be revised at any time by the actions of Primex<sup>3</sup>. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

This Certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend, or alter the coverage afforded by the coverage categories listed below.

<b>Participating Member:</b> North Country Education Services North Country Education Services Foundation 300 Gorham Hill Road Gorham, NH 03581		<b>Member Number:</b> 953	<b>Company Affording Coverage:</b> NH Public Risk Management Exchange - Primex <sup>3</sup> Bow Brook Place 46 Donovan Street Concord, NH 03301-2624	
Type of Coverage	Effective Date (mm/dd/yyyy)	Expiration Date (mm/dd/yyyy)	Limits - NH Statutory Limits May Apply, If Not:	
<input checked="" type="checkbox"/> <b>General Liability (Occurrence Form)</b> <b>Professional Liability (describe)</b> <input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence	7/1/2014	7/1/2015	Each Occurrence	\$ 5,000,000
			General Aggregate	\$ 5,000,000
			Fire Damage (Any one fire)	\$
			Med Exp (Any one person)	\$
<input type="checkbox"/> <b>Automobile Liability</b> Deductible    Comp and Coll: \$1,000 <input type="checkbox"/> Any auto			Combined Single Limit (Each Accident)	
			Aggregate	
<input checked="" type="checkbox"/> <b>Workers' Compensation &amp; Employers' Liability</b>	7/1/2014	7/1/2015	<input checked="" type="checkbox"/> Statutory	
			Each Accident	\$2,000,000
			Disease -- Each Employee	\$2,000,000
			Disease -- Policy Limit	\$
<input type="checkbox"/> <b>Property (Special Risk includes Fire and Theft)</b>			Blanket Limit, Replacement Cost (unless otherwise stated)	Deductible: \$1,000
<b>Description:</b> Proof of Primex Member coverage only.				

<b>CERTIFICATE HOLDER:</b>	<b>Additional Covered Party</b>	<b>Loss Payee</b>	<b>Primex<sup>3</sup> - NH Public Risk Management Exchange</b>
			<b>By:</b> <i>Tammy Denver</i>
NH Department of Education Migrant Education Program 101 Pleasant Street Concord, NH 03301			<b>Date:</b> 3/12/2014    tdenver@nhprimex.org
			Please direct inquires to: <b>Primex<sup>3</sup> Claims/Coverage Services</b> 603-225-2841 phone 603-228-3833 fax

## STANDARD EXHIBIT I

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. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

### **BUSINESS ASSOCIATE AGREEMENT**

#### **(1) Definitions.**

- a. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- b. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- c. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- d. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- e. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- f. "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.
- g. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- h. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- i. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- j. "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.
- k. 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.

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

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

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

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, of which it becomes aware, within two (2) business days of becoming aware of such unauthorized use or disclosure or security incident.
- b. Business Associate shall use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of protected health information, in electronic or any other form, that it creates, receives, maintains or transmits under this Agreement, in accordance with the Privacy and Security Rules, to prevent the use or disclosure of PHI other than as permitted by the Agreement.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of

the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.

e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

I. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

#### **(4) Obligations of Covered Entity**

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

**(5) Termination for Cause**

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

**(6) Miscellaneous**

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA and the Privacy and Security Rule.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

N.H. D.O.E  
The State

Virginia M. Barry  
Signature of Authorized Representative

Virginia M. Barry  
Name of Authorized Representative

Commissioner  
Title of Authorized Representative

March 18, 2014  
Date

North Country Education Services  
Name of the contractor

Lori Langlois  
Signature of Authorized Representative

Lori Langlois  
Name of Authorized Representative

Executive Director  
Title of Authorized Representative

March 18, 2014  
Date



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FY 2013 – 2014**

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Home | History & Mission | Consortium Members | Board of Directors | Directions | Newsletter | Staff | Contact Us |

**Who we are**

**Consortium Members**

**Professional Development**

Professional Development  
 North Country Professional Development Day  
 Related Links

NCES is an educational service provider with membership from School Administrative Units 3, 7, 9, 20, 23, 35, 36, 58, 68, 77 & 84. Professional development, services such as psychological assessment, speech and occupational therapy, distance learning and a lending resource library are among NCES' primary functions.

SAU 3  
 SAU 7  
 SAU 9

**Media Center**

Search Online Catalog  
 Place Order Online  
 Who Can Borrow?  
 Delivery & Pickup Schedule  
 About the Media Center

**Mission**

Promoting excellence in education for SAUs and their learning communities through cost-effective collaboration.

SAU 20  
 SAU 23

**Other Programs & Projects**

Special Education Services  
 Adult Learner Services

**Vision**

- educational leader providing quality education service in response to needs
- recognized as a source for high quality professional development and technology infusion
- attract and build intellectual capital to address the needs of existing and future educational programs

SAU 35  
 SAU 36  
 SAU 58

**TeachNorth**

Teaching in northern NH

**History**

North Country Education Services, first called North Country Education Services Foundation, (and then North Country Education Foundation) was established in September of 1969. It was the result of project "ARISE" which was a cultural arts project funded from 1966-1969.

SAU 68  
 SAU 77

**NCES Staff Access**

Staff page

The concept of NCEF was written by its first director, Victor Walton, and was started from Title III project monies. Title III monies came from Federal Legislation that provided the allocation of money for innovative projects which would not normally be undertaken by school districts.

SAU 84

**Employment**

Job Openings at NCES

NCES first opened its doors in North Conway for the purpose of providing:

- 1.) In-service training for teachers
  - 2.) Resources for improving human relations in the North Country
  - 3.) Administrative training and services in order to build technology to improve education
  - 4.) A central agency for the dissemination of information and materials
- Throughout the years, NCES has increased its services to meet the needs of the North Country. With the inception of Public Law 94-142 (Federal Act for free and appropriate education of all individuals regardless of handicap), NCES began to provide the North Country with special education services in a shared, cost-effective manner. Along with the expanding services, came the need for NCES to relocate. Our locations have been in Stratford Hollow, Gorham, Berlin and finally to its present location of 300 Gorham Hill Road in Gorham, New Hampshire.

| Contact Us | ©2005 North Country Education Services

**ATTACHMENT A**

**North Country Education Services  
List of Key Personnel**

**Name**

**Salary**

Betty Dube, Financial Manager

Lori Langlois, Executive Director

Contractor Initials

LL

Date

3/18/14

## North Country Education Services (NCES)



NCES currently supports the North Country SAUs as seen on the map.

NCES will be serving eligible migrant students and families state-wide for the Migrant Education Project.

### Search Results

#### Current Search Terms: North\* country\* education\* services\* agency\* Inc\*

Your search for "North\* Country\* Education\* Services\* Agency\* Inc\*" returned the following results...

**Notice:** This printed document represents only the first page of your SAM search results. More results may be available. To print your complete search results, you can download the PDF and print it.

Entity	<b>NORTH COUNTRY EDUCATION SERVICES AGENCY INC</b>	Status: <b>Active</b>
<a href="#" style="border: 1px solid black; padding: 2px 10px;">View Details</a>		
<b>DUNS: 073973133</b>	<b>CAGE Code: 48Z08</b>	
<b>Has Active Exclusion?: No</b>	<b>DoDAAC:</b>	
<b>Expiration Date: 03/14/2015</b>	<b>Delinquent Federal Debt? No</b>	

#### Glossary

[Search](#)

[Results](#)

Entity

Exclusion

[Search](#)

[Filters](#)

By Record

Status

By

Functional

Area - Entity

Management

By

Functional

Area -

Performance

Information

SAM | System for Award Management 1.0

IBM v1.1466.20140121-1343

**Note to all Users:** This is a Federal Government computer system. Use of this system constitutes consent to monitoring at all times.



NORTH COUNTRY EDUCATION SERVICES AGENCY

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY SCHEDULES  
With Independent Auditor's Reports Thereon

June 30, 2013 and 2012

NORTH COUNTRY EDUCATION SERVICES AGENCY

Table of Contents

June 30, 2013 and 2012

---

<i>INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS</i> .....		<u>PAGE(S)</u>
		i

**Financial Statements**

	<u>Exhibit</u>	
Statements of Financial Position .....	A	2
Statements of Activities.....	B	3
Statements of Functional Expenses .....	C	4
Statements of Cash Flows.....	D	5
Notes to Financial Statements .....		6-12

**Single Audit Reports and Schedules**

<i>INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133</i> .....	13
--	----

<i>INDEPENDENT AUDITOR'S REPORT ON THE 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</i> .....	14
---	----

<i>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE</i> .....	15-16
---	-------

*SCHEDULE*

Schedule of Expenditures of Federal Awards .....	17
Notes to the Schedule of Expenditures of Federal Awards .....	18
Schedule of Expenditures of Findings and Questioned Costs .....	19
Schedule of Prior Audit Findings and Questioned Costs .....	20
Corrective Action Plan .....	21

# The Mercier Group

*a professional corporation*

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## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Members of the Board of Directors and Management  
North Country Education Services Agency

**Report on the Financial Statements.** We have audited the accompanying financial statements of the North Country Education Services Agency (a non-profit corporation) as listed in the table of contents, which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

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

**Auditor's Responsibility.** Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance auditing standards that are generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 evaluation the overall presentation of the consolidated financial statements.

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

**Opinion.** In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Country Education Services Agency, as of June 30, 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 November 7, 2013 on our consideration of North Country Education Services Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy of Applied Science's internal control over financial reporting and compliance.

*Paul J. Mercier, Jr. cpa for*

**The Mercier Group**, *a professional corporation*

Canterbury, New Hampshire

November 7, 2013

# **Financial Statements**

Exhibit A  
**NORTH COUNTRY EDUCATION SERVICES AGENCY**  
*Statements of Financial Position*  
June 30, 2013 and 2012

*All numbers are expressed in USA Dollars*

	2013	2012
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	7,470	3,585
Investments	369,124	283,637
Accounts receivable	153,075	174,589
Prepaid expenses	7,573	-
	537,242	461,811
<b>RESTRICTED CASH</b>	<b>22,608</b>	<b>22,608</b>
<b>PROPERTY AND EQUIPMENT</b>		
Land	35,000	35,000
Buildings	609,967	609,967
Equipment	249,616	335,161
Less: accumulated depreciation	(561,485)	(617,548)
	333,098	362,580
	<b>892,948</b>	<b>846,999</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Current:		
Line of credit	-	31,725
Current maturities of long-term debt:		
Mortgage Note Payable	15,203	14,319
Accounts payable	10,073	7,065
	25,276	53,109
Long-term, <i>less current maturities</i>		
Mortgage Note Payable	114,965	130,168
	<b>140,241</b>	<b>183,277</b>
<b>NET ASSETS</b>		
Unrestricted:		
Board designated for building improvements	-	32,707
Undesignated:		
Net investment in property & equipment	202,930	218,093
Available to operations	325,565	340,746
Temporarily restricted:		
For loan guarantees	22,608	22,608
For program purposes	201,604	49,568
	752,707	663,722
	<b>892,948</b>	<b>846,999</b>

See accompanying notes to the financial statements.

Exhibit B  
**NORTH COUNTRY EDUCATION SERVICES AGENCY**  
*Statements of Activities*  
For the Fiscal Years Ending June 30, 2013 and 2012

All amounts are expressed in USA Dollars

	2013			2012		
	Temporarily			Temporarily		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
<b>OPERATING SUPPORT, REVENUES AND RECLASSIFICATIONS</b>						
Federal grants		748,594	748,594		188,364	188,364
State grants		25,308	25,308		-	-
Local government agencies		198,635	198,635		201,412	201,412
Other non-profit agencies		193,981	193,981		71,481	71,481
Corporate donations		-	-		-	-
Program service revenue	1,201,490		1,201,490	1,132,342		1,132,342
Member assessments	92,753		92,753	87,837		87,837
Net assets released from restriction:						
Satisfaction of program restrictions	1,014,482	(1,014,482)	-	485,533	(485,533)	-
	<b>2,308,725</b>	<b>152,036</b>	<b>2,460,761</b>	<b>1,705,712</b>	<b>(24,276)</b>	<b>1,681,436</b>
<b>OPERATING EXPENSES</b>						
Program Services:						
NCES Programs	1,033,148		1,033,148	1,240,033		1,240,033
Distance Learning	105,807		105,807	-		-
NH Children in Nature			-	15,293		15,293
Adult Learner Services	133,214		133,214	135,649		135,649
ABE College Transitions	6,323		6,323	6,251		6,251
Migrant	59,955		59,955	52,715		52,715
Jane's Trust	96,693		96,693	-		-
SI, TA & PD Initiative	141,886		141,886	-		23,732
GLOBE	1,370		1,370	23,732		-
COOS Teachers Tillotson	48,818		48,818	5,660		5,660
Film Festival	10,236		10,236	4,468		4,468
NCCA TEPD for Health	536		536	-		-
Coos Teachers FY'11	-		-	36,758		36,758
RTI	-		-	17,738		17,738
Collaboration	42,707		42,707	28,573		28,573
USDA Equipment	365,951		365,951	-		-
Summer Summit Initiative	12,879		12,879	4,493		4,493
Migrant 2	39,897		39,897	-		-
Roy Foundation			-	2,200		2,200
SAHE	89,691		89,691	90,258		90,258
TLC	-		-	56,935		56,935
Next Steps NH	25,308		25,308	-		-
NASA/UCAR	2,979		2,979	-		-
	<b>2,217,398</b>	<b>-</b>	<b>2,217,398</b>	<b>1,720,756</b>	<b>-</b>	<b>1,720,756</b>
Support services:						
Management and general	206,080		206,080	242,851		242,851
	<b>2,423,478</b>	<b>-</b>	<b>2,423,478</b>	<b>1,963,607</b>	<b>-</b>	<b>1,963,607</b>
<b>NET OPERATING INCOME(LOSS)</b>	<b>(114,753)</b>	<b>152,036</b>	<b>37,283</b>	<b>(257,895)</b>	<b>(24,276)</b>	<b>(282,171)</b>
<b>NONOPERATING SUPPORT, REVENUES AND RECLASSIFICATIONS</b>						
Investment income(loss)	51,702		51,702	14,832		14,832
	<b>51,702</b>	<b>-</b>	<b>51,702</b>	<b>14,832</b>	<b>-</b>	<b>14,832</b>
<b>CHANGE IN NET ASSETS</b>	<b>(63,051)</b>	<b>152,036</b>	<b>88,985</b>	<b>(243,063)</b>	<b>(24,276)</b>	<b>(267,339)</b>
<b>NET ASSETS - BEGINNING</b>	<b>591,546</b>	<b>72,176</b>	<b>663,722</b>	<b>834,609</b>	<b>96,452</b>	<b>931,061</b>
<b>NET ASSETS - ENDING</b>	<b>528,495</b>	<b>224,212</b>	<b>752,707</b>	<b>591,546</b>	<b>72,176</b>	<b>663,722</b>

See accompanying notes to the financial statements.

Exhibit C  
**NORTH COUNTRY EDUCATION SERVICES AGENCY**  
*Statements of Functional Expenses*  
For the Fiscal Years Ending June 30, 2013 and 2012

*All amounts are expressed in USA Dollars*

	2013			2012		
	Regular Educational Programs	Management and General	Total	Regular Educational Programs	Management and General	Total
<b>EXPENSES</b>						
Salaries and other compensation	860,933	131,989	992,922	791,105	159,067	950,172
Payroll taxes	70,838	11,420	82,258	62,959	13,108	76,067
Employee benefits	242,003	26,060	268,063	262,840	31,885	294,725
Staff development	1,299	-	1,299	21,788	-	21,788
Contracted services	348,528	6,200	354,728	254,213	5,800	260,013
Occupancy	35,700	8,478	44,178	36,396	8,840	45,236
Administrative expenses	74,650	6,240	80,890	62,004	6,072	68,076
Travel	40,041	2,477	42,518	38,493	3,738	42,231
Materials & supplies	137,910		137,910	137,116	-	137,116
Non-depreciable Equipment	365,622		365,622	10,802	-	10,802
Depreciation	33,431	11,144	44,575	36,182	12,061	48,243
Interest	6,443	2,072	8,515	6,858	2,280	9,138
	<b>2,217,398</b>	<b>206,080</b>	<b>2,423,478</b>	1,720,756	242,851	1,963,607

See accompanying notes to financial statements.

Exhibit D  
**NORTH COUNTRY EDUCATION SERVICES AGENCY**  
*Statements of Cash Flows*  
For the Fiscal Years Ending June 30, 2013 and 2012

*All amounts are expressed in USA Dollars*

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess (deficiency) of public support and revenues over (under) expenditures	88,985	(267,339)
<i>Adjustments to reconcile to net cash provided by (used in) operating activities:</i>		
Depreciation Expense	44,575	48,243
Change in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	21,514	(36,911)
Prepaid expenses	(7,573)	50
Increase (decrease) in liabilities:		
Accounts payable	3,008	752
	<b>150,509</b>	<b>(255,205)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net (Purchase)Disposal of Fixed Assets	(15,093)	-
Net (Purchases)Sale of Investments	(85,487)	21,271
	<b>(100,580)</b>	<b>21,271</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase(decrease) in line of credit	(31,725)	31,725
Principal payments - mortgage notes	(14,319)	(13,485)
	<b>(46,044)</b>	<b>18,240</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>3,885</b>	<b>(215,694)</b>
<b>CASH - BEGINNING</b>	<b>26,193</b>	<b>241,887</b>
<b>CASH - ENDING</b>	<b>30,078</b>	<b>26,193</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash payments for interest	<b>8,515</b>	<b>9,907</b>

See accompanying notes to the financial statements.

## NORTH COUNTRY EDUCATION SERVICES AGENCY

### *Notes to Financial Statements*

June 30, 2013 and 2012

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## NATURE OF OPERATIONS

North Country Education Services Agency is a voluntary, not-for-profit corporation, incorporated under the laws of the State of New Hampshire (RSA 292) organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended. Its purpose is to provide member organizations and the persons served thereby, directly and indirectly, with educational, administrative and technological services, courses, facilities, and equipment generally and including, without thereby limiting such generality, educational consulting services and the coordination of services supplied by others, administrative and technological assistance, counselor and other specialized personnel, and specialized instruments, facilities and equipment. The degree of participation in and subscription to the services of the Agency by districts of the School Administrative Unit are determined by them individually. Membership in the organization is currently comprised of the 13 school administrative units and supervisory unions listed below. The management and controls of the affairs of this corporation are vested in and exercised by a Board of Directors consisting of thirteen (13) superintendents, or their designee, of the New Hampshire School Administrative Units 3, 7, 9, 20, 23, 35, 36, 58, 68, 77, 84, Vermont Blue Mountain Union SD and Vermont Cannan/Norton SD and one (1) school board member of each said School Administrative Units who shall be selected by their respective School Administrative Unit Board. Also included may be representatives from the following: the Director of Tri-County Community Action Program; the Director or designee of the North Country Region of the Granite State College; and the President or designee of the White Mountains Community College in Berlin, President or designee of Plymouth State University, and other organizations expressing interest in educational activities.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Financial Statement Presentation.** The financial statements have been prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets based on the existence of absence of donor-imposed restrictions. In addition, the Agency is required to present a statement of cash flows.

**Basis of Accounting.** The Agency presents its financial statements on the accrual basis of accounting. Under this basis, exchange revenues and related accounts receivables are recognized when earned. Non-exchange revenues (contributions, donations, etc.) and related contributions receivables are recognized when received. Expenses and related payables are recognized when title to goods and services passes to the Agency.

**Use of Estimates.** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# NORTH COUNTRY EDUCATION SERVICES AGENCY

## Notes to Financial Statements

June 30, 2013 and 2012

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**Cash and cash equivalents.** Cash and cash equivalents consist of bank deposits held in checking and money market accounts and certificates of deposit. For purposes of reporting the statements of cash flows, if any, all highly liquid debt instruments purchased with a maturity of three months are considered to be cash equivalents.

**Investments.** Investments are accounted for according to Statement of Financial Accounting Standard (SFAS) No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

**Prepaid Expenses.** Disbursements made in advance of the receipt of goods and services are recorded as prepaid expenses in the statement of financial position.

**Property and Equipment.** All costs of property and equipment, and the fair value of donated assets in excess of \$1,000 and having an economic useful life of greater than one year are capitalized. Depreciation is computed by the straight-line method, beginning in the month of acquisition, at rates based on the following estimated useful lives:

	<u>Years</u>
Buildings	30
Equipment	5

While of considerable value to the Agency and its members, the Agency does not capitalize resource library materials. Because these materials are used a great deal and are being continually updated, the Agency has elected to treat these materials as expendable. The cost of purchased materials is therefore expended in the year of acquisition.

**Deferred Revenue.** Service charges received in advance of the year to which they apply are recorded as deferred revenue in the statement of financial position.

**Public Support and Revenues.** Substantially, all revenue is derived from contract fees from member school districts and grants awarded by government agencies. Revenues from this source are recognized on a monthly basis as services are invoiced. Secondary support is obtained from the rental of facilities, private donations, interest, dividends and capital gains on investments.

**Functional Allocation of Expenses.** The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Expenses are charged to each program based on direct costs incurred or estimated usage. Any program expenditures not directly chargeable are allocated to a program based on the direct charges. Annually, an indirect cost rate is established by the Agency and approved by the State of New Hampshire Department of Education for this purpose.

**Accumulated Unpaid Vacation and Sick Pay.** Vacation time is granted to full-time employees in amounts of 5 to 20 days per year, depending on positions held. Such vacation time must be used prior to September 1 of the following year. Sick leave is accumulated at the rate of 1 work

**NORTH COUNTRY EDUCATION SERVICES AGENCY**

*Notes to Financial Statements*

June 30, 2013 and 2012

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day earned for every 20 days worked, not to exceed 12 days annually; total accumulation of sick leave may not exceed 70 days. Accumulated unpaid vacation and sick pay is not accrued by the Agency. However, estimated accumulation does not exceed a normal year's allowance.

**Income Taxes.** The Agency is organized exclusively for tax-exempt charitable and educational purposes within the meaning of Section 501(a) and Section 501(c)(3) of the Internal Revenue Code of 1954, as amended and Chapter 262 of the New Hampshire Revised Statutes Annotated, as amended. The Agency is not a private foundation within the meaning of Internal Revenue Code Section 509(a). During the period of July 1, 2011 through June 30, 2013, the Agency had no unrelated business income and therefore, no provision for income taxes is made in the accompanying financial statements.

## ASSETS

**Deposits.** All bank deposits as of June 30, 2013 and 2012 and substantially throughout the fiscal years then ended were fully insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with securities held by the pledging institution.

**Investments.** Investments, the fair value of which is measured at quoted prices in active markets for identical investments as of June 30, 2013 and 2012, include the following:

	<u>2013</u>	<u>2012</u>
New Hampshire Public Deposit Investment Pool	\$ 34,090	\$ 214
Mutual Funds	<u>335,034</u>	<u>283,423</u>
	<u>\$ 369,124</u>	<u>\$ 283,637</u>

The composition of investment return in the statement of activities for the years ended December 31, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Unrestricted:		
Interest and dividends	\$ 90	\$ 2,277
Capital gain distributions	<u>51,612</u>	<u>12,555</u>
	<u>\$ 51,702</u>	<u>\$ 14,832</u>

**New Hampshire Public Deposit Investment Pool.** At this time, the Pool's investments are limited to short-term U.S. Treasury and U.S. Government Agency obligations, State of New Hampshire municipal obligations, certificates of deposit from AI/PI-rated banks, money market mutual funds (maximum of 20% of portfolio), overnight to 30-day repurchase agreements and reverse overnight repurchase agreements with primary dealers or dealer banks.

Under the terms of GASB Statement #31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Pool is considered to be a **2a7-like pool** which means that it has a policy that it will, and does operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. This rule allows SEC-registered

**NORTH COUNTRY EDUCATION SERVICES AGENCY**

*Notes to Financial Statements*

June 30, 2013 and 2012

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mutual funds to use amortized cost rather than market value to report net assets to compute share prices if certain conditions are met. Therefore, the Agency reports its investments in the Pool at amortized cost, which equals the Pool's participation unit price.

**Concentrations of credit and market risk.** Financial instruments that potentially expose the Agency to *credit risk* consist primarily of bank deposits and investments in participation units of the New Hampshire Public Deposit Investment Pool. It is the Agency's policy to deposit monies in high quality financial institutions and to limit risk by maintaining deposits within the Federal Depository Insurance Limits (FDIC) whenever possible. The Agency has not experienced any losses on its cash deposit. *Market risk* is limited to fluctuations in the prices of mutual funds. Management monitors investments in high quality mutual funds and believes it is not exposed to significant market risk on those amounts. Each participation unit of the Pool is valued at one-dollar and the price there of does not fluctuate with the market values of underlying investments.

**Accounts Receivable.** Accounts Receivable at June 30, 2013 and 2012 include amounts due on various Federal, State, County and Local Government projects. All are considered to be collectible and no reserve for uncollected accounts has been established.

**Risk Management.** The Agency is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets, errors or omissions, injuries to employees, and natural disasters. During the fiscal year, the Agency was a member of the following public-entity risk pools, currently operating as a common risk management and insurance programs for member school districts, school administrative units and similar government-supported agencies.

The *New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and P/C GROUP* are pooled risk management programs under RSA 5-B and RSA 281-A. The following is a summary of worker's compensation and property/liability coverages provided during the fiscal year by *Primex<sup>3</sup>*, which retained \$2,000,000 of each workers' compensation, \$500,000 for each liability loss and \$200,000 for each property loss. The Board has determined to retain the aggregate exposure and has allocated resources based on actuarial analysis for that purpose. A detail of coverages, contributions, credits or balances due are available from the Agency upon request.

- Estimated net contribution billed for the year ending July 1, 2013 are as follows:
  - Workers' Compensation \$ 2,531
  - Property/Liability \$ 4,880
- Contribution due from(to) member as of June 30, 2013
  - Workers' Compensation \$ 0
  - Property/Liability \$ 0

The Member Participation Agreement permits *Primex<sup>3</sup>* to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. At this time, the Trust foresees no likelihood of an additional assessment for this or any prior year. Claims have not exceeded insurance coverage in any of the past years.

**NORTH COUNTRY EDUCATION SERVICES AGENCY**

*Notes to Financial Statements*

June 30, 2013 and 2012

**Property and Equipment.** A summary of changes in property and equipment for the fiscal years ended June 30, 2013 and 2012 are as follows:

	Balance			Balance	
	July 1, 2012	Additions	Deductions	June 30, 2013	
<b>Land</b>	\$ 35,000	\$ -	\$ -	\$ 35,000	
<b>Buildings</b>	609,967	-	-	609,967	
<b>Equipment &amp; Furnishings</b>	<u>335,161</u>	<u>15,093</u>	<u>100,638</u>	<u>249,616</u>	
	980,128	15,093	100,638	894,583	
<b>Less: Accumulated Depreciation</b>	<u>(617,548)</u>	<u>(44,575)</u>	<u>(100,638)</u>	<u>(561,485)</u>	
	<u>\$ 362,580</u>	<u>\$ (29,482)</u>	<u>\$ -</u>	<u>\$ 333,098</u>	

	Balance			Balance	
	July 1, 2011	Additions	Deductions	June 30, 2012	
<b>Land</b>	\$ 35,000	\$ -	\$ -	\$ 35,000	
<b>Buildings</b>	609,967	-	-	609,967	
<b>Equipment &amp; Furnishings</b>	<u>538,864</u>	<u>-</u>	<u>203,703</u>	<u>335,161</u>	
	1,183,831	-	203,703	980,128	
<b>Less: Accumulated Depreciation</b>	<u>(773,008)</u>	<u>(48,243)</u>	<u>(203,703)</u>	<u>(617,548)</u>	
	<u>\$ 410,823</u>	<u>\$ (48,243)</u>	<u>\$ -</u>	<u>\$ 362,580</u>	

**LIABILITIES**

**Line of Credit.** During fiscal years ended June 30, 2013 and 2012, the organization had available a \$100,000 line of credit secured by substantially all business property other than real estate. The note includes a variable interest rate equal to the Wall Street Journal Prime Rate plus 2%. Outstanding balances at June 30, 2013 and 2012 were zero.

**Long-Term Debt.** Long-term debt as of June 30, 2013 and 2012 is comprised of a mortgage note due to the Farmers Home Administration with interest at 6.00% per annum; monthly payments of \$1,884 are due through July 6, 2020. The note is secured by substantially all assets of the Agency. Aggregate principal maturities required on long-term debt as of June 30, 2013 and 2012 were as follows:

<u>Year Ending June 30</u>	<u>2013</u>	<u>2012</u>
2013	\$ -	\$ 14,319
2014	<b>15,203</b>	15,203
2015	<b>16,142</b>	16,142
2016	<b>17,138</b>	17,138
2017	<b>18,197</b>	18,197
2016-2021	<u><b>63,488</b></u>	<u>63,487</u>
	<u><b>\$ 130,168</b></u>	<u>\$ 144,486</u>

**NORTH COUNTRY EDUCATION SERVICES AGENCY**

*Notes to Financial Statements*

June 30, 2013 and 2012

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**Defined Benefit Pension Plan.** Full-time employees participate in the State of New Hampshire Retirement System (the System), a multiple-employer contributory pension plan and trust established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State of New Hampshire are eligible and required to participate in the System. Full-time employees of political subdivisions, including counties, municipalities, districts and others, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The New Hampshire Retirement System (NHRS), a Public Employees Retirement System (PERS), is divided into two membership groups. By statute, Group I (employee and teacher) members contribute 7% of their salary to NHRS. Group II (police & fire) members contribute 11.5% and 11.8% respectively. While member rates are set by statute, employer rates are set by the NHRS Board of Trustees every two years after a biennial actuarial valuation is conducted using the *Entry Age Normal* actuarial method. Employer contributions are assessed at five different rates, one each for state employees, political subdivisions employees, teachers, police and fire. NHRS employers are required by the New Hampshire Constitution to pay 100% of the actuarial sound employer contribution rate as certified by the NHRS Board of Trustees to fully fund the pension plan and to pay down the retirement system's unfunded actuarial accrued liability over a closed amortization period. Currently, employer contribution rates for the period August 1, 2013 through June 30, 2013 are as follows:

<u>Group I:</u>		<u>Group II:</u>	
Employees	8.80%	Police	19.95%
Teachers	11.30%	Fire	22.89%

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group, funding policies, vesting requirements, contribution requirements and plan assets available to pay benefits are disclosed in the System's annual report available from the New Hampshire Retirement System located at Regional Drive ~ Concord, NH 03301-8509.

The payroll for employees covered by the System for the year ended June 30, 2013, was \$874,614; the organization's total payroll was \$992,921. Contribution requirements for the year ended June 30, 2013, were as follows:

Employer Contributions	\$ 93,357
Employee Contributions	<u>61,223</u>
	<u>\$ 154,580</u>

The payroll for employees covered by the System for the year ended June 30, 2012, was \$924,850; the organization's total payroll was \$950,172. Contribution requirements for the year ended June 30, 2012, were as follows:

Employer Contributions	\$ 97,411
Employee Contributions	<u>64,740</u>
	<u>\$ 162,151</u>

**NORTH COUNTRY EDUCATION SERVICES AGENCY**

*Notes to Financial Statements*

June 30, 2013 and 2012

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**NET ASSETS**

**Temporarily Restricted Net Assets.**

*Restricted For Program Purposes.* Net assets restricted by grantors for program purposes include the following:

	<u>2013</u>	<u>2012</u>
Distance Learning/Follett	\$ 22,076	\$ 13,165
ALS Under 18	243	243
COOS Teachers – Tillotson grant		21,579
Jane’s Trust	83,357	
Globe	2,010	3,380
Film Festival		4,134
Collaboration – Tillotson grant		7,067
USDA Equipment	79,418	
NH Center for Learning	14,500	
	<u>\$ 201,604</u>	<u>\$ 49,568</u>

*Restricted for Loan Guarantees.* In connection with its mortgage agreement to the Farmers Home Administration, the Agency has agreed to set aside \$188 monthly until a total reserve account balance amounting to \$22,608 has accumulated. When necessary, disbursements may be used for payments due on the note if sufficient funds are not available from the general accounts of the Agency. In addition, with the prior written consent of the U.S. Government, funds may also be withdrawn for paying the cost of repairing or replacing any damage to the mortgaged facilities which may have been caused by catastrophe, or for making extensions or improvements to the facility. In the event of any withdrawals, the Agency is obligated to resume monthly payments to the account as indicated above until the \$22,608 has again accumulated. Reserve for loan guarantees as of June 30, 2013 and 2012 amounted to \$22,608 and \$22,608 respectively.

**Board Designated Net Asset.** Amounts designated by the Board of Director for specific future activities or programs as of June 30, 2013 were as follows:

	<u>2013</u>	<u>2012</u>
Building Improvements	<u>\$ 0</u>	<u>\$ 32,707</u>

**SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

**Grants.** Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally State oversight agencies or the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the Agency. The amount which may be disallowed by the grantor cannot be determined at this time although the Agency expects such amounts, if any, to be immaterial.

# **Single Audit Reports and Schedules**

# The Mercier Group

*a professional corporation*

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## INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

To the Members of the Board of Directors and Management  
North Country Education Services Agency

We have audited the financial statements of the North Country Education Services Agency as of and for the year ended June 30, 2013, and have issued our report there on dated November 7, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the North Country Education Services Agency's basic financial statements. The Accompanying Schedule of Expenditures of Federal Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic 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. This information has been subjected to the auditing procedures applied in the audit of the basic 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 in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly presented in all material respects in relation to the financial statements taken as a whole.

*Paul J. Mercier, Jr. cpa for*

**The Mercier Group**, *a professional corporation*

Canterbury, New Hampshire

November 7, 2013

# The Mercier Group

*a professional corporation*

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*INDEPENDENT AUDITOR'S REPORT ON THE 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 Members of the Board of Directors and Management  
North Country Education Services Agency

We have audited, 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, the financial statements of the North Country Education Services Agency as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Academy of Applied Science's basic financial statements, and have issued our report thereon dated November 7, 2013.

**Internal Control Over Financial Reporting.** In planning and performing our audit of the financial statements, we considered the North Country Education Services Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but, not for the purpose of expressing an opinion on the effectiveness of the Academy of Applied Science's internal control. Accordingly, we do not express an opinion on the effectiveness of the North Country Education Services Agency's internal control over financial reporting.

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

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

**Compliance and Other Matters.** As part of obtaining reasonable assurance about whether the North Country Education Services Agency'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*.

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

*Paul J. Mercier Jr., CPA for*

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**The Mercier Group**, a professional corporation  
Canterbury, New Hampshire  
November 7, 2013

# The Mercier Group

*a professional corporation*

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## *INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE*

To the Members of the Board of Directors and Management  
North Country Education Services Agency

**Report on Compliance for Each Major Federal Program.** We have audited the North Country Education Services Agency's compliance with the types of compliance requirements described in the *OMB circular A-133 Compliance Supplement* that could have a direct and material effect on each of the North Country Education Services Agency's major federal programs for the year ended June 30, 2013. The North Country Education Services Agency's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of management. Our responsibility is to express an opinion on North Country Education Services Agency's compliance based on our audit.

**Management's Responsibility.** Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility.** Our responsibility is to express an opinion on compliance for each of the North Country Education Services Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the North Country Education Services Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of North Country Education Services Agency's compliance.

**Opinion on Each Major In our opinion,** North Country Education Services Agency complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

**Internal Control Over Compliance.** Management of the North Country Education Services Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the North Country Education Services Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Academy of Applied Science Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a

deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Paul J. Mercier Jr., CPA for*

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**The Mercier Group**, a professional corporation

Canterbury, New Hampshire

November 7, 2013

Schedule I  
**NORTH COUNTRY EDUCATION SERVICES AGENCY**  
*Schedule of Expenditures of Federal Awards*  
For the Fiscal Year Ended June 30, 2013

*All amounts are expressed in USA Dollars*

<b>Federal grantor/Pass-through grantor/Program title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Grantors Number</b>	<b>Program or Award Amount</b>	<b>Revenue &amp; Expenditures Federal</b>
<b>U.S. Department of Agriculture</b>				
<b>Rural Utilities Service</b>				
<i>Direct Grant</i>				
<b>Distance Learning and Telemedicine Loans and Grants</b>	<b>10.855</b>			
Distance Learning and Telemedicine - NH0702-B16		na	497,531	445,369
				<u>445,369</u>
<b>National Aeronautics and Space Administration</b>				
<i>Direct Grant</i>				
<b>Education</b>	<b>84.215</b>			
UCAR - NNX09AF27A/Z13-90449		na	40,970	2,979
				<u>2,979</u>
<b>U.S. Department of Education</b>				
<i>passed through the State of New Hampshire - Department of Education</i>				
<b>Adult Education - State Administered</b>				
<b>Basic Grant Programs</b>	<b>84.002</b>			
Adult Learner Services Program For Coos County		37403	137,849	133,214
Adult Education / Postsecondary Transitions for Coos County		37601	6,890	6,323
				<u>139,537</u>
<b>Title I; Part C (Recovery Act)</b>	<b>84.011A</b>			
Migrant 1		31000	60,000	59,955
Migrant 2		31001	40,000	39,897
				<u>99,852</u>
<i>sub-award of Plymouth State University</i>				
<b>Adult Basic Education</b>	<b>84.367</b>			
SAHE 06-56-56-563010-521830000-082-500599		63E 128-01	195,000	60,857
				<u>60,857</u>
				<u>748,594</u>

*(\*) Denotes a major program*

**NORTH COUNTRY EDUCATION SERVICES AGENCY**

*Notes to the Schedule of Expenditures of Federal Awards*

For the Fiscal Year Ended June 30, 2013

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
USED IN PREPARING THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

**BASIS OF PRESENTATION**

The accompanying *Schedule of Expenditures of Federal Awards* includes the federal grant activity of North Country Education Services Agency and is presented on the accrual basis of accounting. Under this basis of accounting, revenues are recognized when they occur and expenditures are recorded when the related liability is incurred.

**RECONCILIATION OF THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS TO THE FINANCIAL STATEMENTS**

Expenditures of Federal awards in the financial statements include the following:

	<b>Federal Support</b>
Temporarily restricted funds released from restriction	\$ 1,014,482
Less:	
Nonfederal awards included above	<u>(345,306)</u>
Federal Awards expended per Schedule of Federal Awards	<u>\$ 669,176</u>

*[See Exhibit B and the notes to the financial statements on page 12]*

**NORTH COUNTRY EDUCATION SERVICES AGENCY**

*Schedule of Findings and Questioned Costs*

For the Fiscal Year Ended June 30, 2013

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SECTION 1 – SUMMARY OF AUDITOR’S RESULTS

**Financial Statements**

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not  
Considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?

yes  no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not  
Considered to be material weaknesses?  yes  no

Type of auditor’s report issued on compliance  
for major program:

Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with section  
510(a) of Circular A-133?

yes  no

Identification of major program:

CFDA Number(s)  
10.855

Name of Federal Program or Cluster  
Distance Learning and Telemedicine Loans and Grants

Dollar threshold used to distinguish

Between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

yes  no

**SECTION II – FINANCIAL STATEMENT FINDINGS:**

No matters were identified which required reporting.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were identified which required reporting.

**NORTH COUNTRY EDUCATION SERVICES AGENCY**  
*Schedule of Prior Audit Findings and Questioned Costs*  
For the Fiscal Year Ended June 30, 2013

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**PRIOR AUDIT FINDINGS AND QUESTIONED COSTS:**

Not Applicable – No prior findings and questioned costs were reported

**NORTH COUNTRY EDUCATION SERVICES AGENCY**  
*Corrective Action Plan*  
For the Fiscal Year Ended June 30, 2013

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**CORRECTIVE ACTION PLAN**

Not Applicable – No current audit findings or questioned costs were reported

Virginia M. Barry, Ph.D.  
Commissioner of Education  
Tel. 603-271-3144



Paul Leather  
Deputy Commissioner of Education  
Tel. 603-271-3801

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF EDUCATION  
101 Pleasant Street  
Concord, N.H. 03301  
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Citizens Services Line 1-800-339-9900

FOR INFORMATION ONLY  
G & C Letter # \_\_\_\_\_  
G & C Date 6-6-12  
APPROVED: \_\_\_\_\_  
Page # \_\_\_\_\_  
Item # \_\_\_\_\_

April 26, 2012

His Excellency, Governor John H. Lynch  
And the Honorable Executive Council  
State House  
Concord, NH 03301

*Approved  
GTC 6/6/12  
Item 136A*

**REQUESTED ACTION**

1. Authorize the New Hampshire Department of Education to grant the North Country Education Services (Vendor Code: 154707) funds to pay for supplemental educational services to be provided by North Country Education Services (NCES) to migrant students and families. The funds for this activity are 100% Title 1-C Federal Funds. This grant will run from July 1, 2012 or from the date of Governor and Council approval, whichever is later, through June 30, 2013. Authorize unencumbered payment of said grant with internal accounting control within the Department of Education. This grant will not exceed \$100,000.00. This grant is being funded to North Country Education Service using the Department of Education internal online grant management system as described in the Federal Funds Financial Management Manual.

Funding for this request is available from:

Account Number	FY13
06-56-56-563010-32660000-082-500599	\$60,000.00
06-56-56-563010-32680000-082-500599	\$40,000.00

2. Subject to Governor and Council approval, authorize the Department of Education (DOE) to exercise a renewal option on this grant for up to two (2) additional fiscal years, subject to the vendor's acceptable performance of the terms therein and pending legislative approval for the next biennium budget.

His Excellency, Governor John H. Lynch  
And the Honorable Executive Council  
State House  
Concord, NH 03301  
Page 2, April 26, 2012

### EXPLANATION

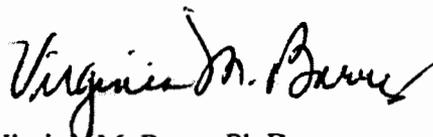
The NHMEP posted an RFP on the DOE website for supplemental educational services for migrant students. North Country Education Services (NCES) was the only response to the RFP. They submitted a complete proposal that was evaluated by three individuals and was given an approval rating by all three. NCES will work closely with the NHMEP to ensure the timely delivery of supplemental educational services to migrant students and families. The program includes the coordination of services statewide to provide individual and/or small group instruction, child and family advocacy, and instructional material and resources to the target population.

The following information is provided for this grant:

- a. Scoring Rubric
- b. OBM Form 1 Project Application
- c. Exhibit A: Description of Services
- d. Exhibit B: Estimated Budget
- e. Exhibit C: Special Provisions
- f. Certificate of Good Standing
- g. Certificate of Authority
- h. Certificate of Coverage (Insurance)
- i. Governance: 2011-2012 NCES Board of Directors
- j. Purpose of the Organization (Mission)
- k. Resumes of principal staff
- l. Geographic areas to be served
- m. Excluded Parties List System

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

Respectfully submitted,



Virginia M. Barry, Ph.D.  
Commissioner of Education

VMB: