

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



JUN 05 '13 PM 1:53:00
Paul Leather
Deputy Commissioner of Education
Tel. 603-271-3801

J. C. Barry

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 28, 2013

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

100% Federal Funds

REQUESTED ACTION

1. Pending the Legislative approval of the next biennial budget, authorize the New Hampshire Department of Education (DOE) to exercise their renewal option to grant the North Country Education Services (NCES) (Vendor Code: 154707), originally approved by Governor and Council on June 6, 2012, Item #136A, funds to pay for supplemental educational services to be provided by NCES to migrant students and families. This grant will not exceed \$100,000.00. The funds for this activity are 100% Title 1-C Federal Funds. This grant will run from date of Governor and Council approval or July 1, 2013 (whichever is later) through June 30, 2014.

Funding for this request is available from:

Account Number	FY14
06-56-56-563010-3266-0000-082-500599	\$60,000.00
06-56-56-563010-3268-0000-082-500599	\$40,000.00

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
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State House
Concord, New Hampshire 03301
Page 2, May 28, 2013

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. HIPPA Business Associate Agreement
- j. Governance: 2012-2013 NCES Board of Directors
- k. Purpose of the Organization (Mission)
- l. Attachment A: NCES List of Key Personnel
- m. Geographic areas to be served
- n. System for Award Management (SAM) formerly Excluded Parties List System
- o. NCES Financial Statements
- p. Copy of Original G&C Letter, Approved 6/6/12, Item 136A

The DOE is exercising their first 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,



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

VMB:

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
Totals:	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: 7/1/2013 to: 06/30/14

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 %

Lori Langlois, Associate Executive Director

PRINT NAME AND TITLE of SAU SUPERINTENDENT OF SCHOOLS
or RA/CHIEF FINANCIAL OFFICER

Lori Langlois

SIGNATURE SAU SUPERINTENDENT OF SCHOOLS
or RA/CHIEF FINANCIAL OFFICER

6/3/13
DATE

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

LL

Date

6/4/13

EXHIBIT B

ESTIMATED BUDGET: LIMITATION ON PRICE: PAYMENT

Estimated Budget (through June 30, 2014)

Consultants & Contracted Services	\$61,960.00
Salaries (including FICA, NHUC, WC)	\$11,962.00
Materials & Supplies	\$5,000.00
Equipment	\$8,400.00
Other (phone, postage, travel, copying)	\$5,271.00
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

6/4/13

EXHIBIT C

SPECIAL PROVISIONS

Authorize the Department of Education to exercise a renewal option on this contract for up to one (1) additional fiscal year, subject to the vendor's acceptable performance of the terms therein and pending the continuation of the federal funds for the NH Migrant Education Program.

Contractor Initials LL
Date 6/4/13

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 4th day of June A.D. 2013

A handwritten signature in cursive script, 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 21 day of May, 2013, 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.

<u>Paul Macmillan</u>	President
<u>Corinne Cascadden</u>	Vice President
<u>Annemarie Platt</u>	Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand as the Clerk/Secretary of the Corporation and have affixed its corporate seal this 4th day of June, 2013.

(SEAL)

Lisa Blais
Clerk/Secretary

STATE OF New Hampshire
COUNTY OF Coos

On this the 4th day of June, 2013, 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



CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex³) 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, Primex³ is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex³ is entitled to the categories of coverage set forth below. In addition, Primex³ 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 Primex³, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex³ 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 Primex³. 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.

Participating Member:		Member Number:	Company Affording Coverage:		
North Country Education Services North Country Education Services Foundation 300 Gorham Hill Road Gorham, NH 03581		953	NH Public Risk Management Exchange - Primex ³ 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"/>	General Liability (Occurrence Form)	7/1/2013	7/1/2014	Each Occurrence	\$ 5,000,000
	Professional Liability (describe)			General Aggregate	\$ 5,000,000
	<input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence			Fire Damage (Any one fire)	\$
				Med Exp (Any one person)	\$
	Automobile Liability			Combined Single Limit (Each Accident)	
	Deductible Comp and Coll: \$1,000			Aggregate	
	<input type="checkbox"/> Any auto				
<input checked="" type="checkbox"/>	Workers' Compensation & Employers' Liability	07/01/2013	07/01/2014	<input checked="" type="checkbox"/> Statutory	
				Each Accident	\$2,000,000
				Disease – Each Employee	\$2,000,000
				Disease – Policy Limit	\$
	Property (Special Risk includes Fire and Theft)			Blanket Limit, Replacement Cost (unless otherwise stated)	Deductible: \$1,000
Description: Proof of Primex Member coverage only.					

CERTIFICATE HOLDER:	Additional Covered Party	Loss Payee	Primex³ – NH Public Risk Management Exchange
			By: <i>Tammy Denver</i>
NH Department of Education Migrant Education Program 101 Pleasant Street Concord, NH 03301			Date: 6/4/2013 tdenver@nhprimex.org
			Please direct inquiries to: Primex³ Claims/Coverage Services 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.

NH Department of
The State Education

Virginia M. Barry
Signature of Authorized Representative

Virginia M. Barry
Name of Authorized Representative

Commissioner
Title of Authorized Representative

6-4-13
Date

North Country Education Services
Name of the contractor

Ray Healey
Signature of Authorized Representative

Ray Healey
Name of Authorized Representative

Executive Director
Title of Authorized Representative

6/4/2013
Date



2012 - 2013 NCES Board of Directors

Board of Directors Meetings

Professional Development

Professional Development

North Country Professional Development Day

Related Links

Media Center

Search Online Catalog

Place Order Online

Who Can Borrow?

Delivery & Pickup Schedule

About the Media Center

Other Programs & Projects

Special Education Services

Adult Learner Services

TeachNorth

Teaching in northern NH

NCES Staff Access

Staff page

Employment

Job Openings at NCES

Ernie Angelicola
Member At Large

Dr. Cheryl Baker
Representative, Plymouth State University

Robert Bellavance
Member At Large

Paul Bousquet
Superintendent SAU 20

Corinne Cascadden (Vice President)
Superintendent SAU 3

Greg Corrigan
Representative, SAU 20

Dr. Harry Fensom
Superintendent SAU 36

Bernard Keenan
Member at Large

Judy McGann
Superintendent SAU 68

Bruce Labs
Superintendent SAU 23

Dr. Carl Ladd
Superintendent SAU 58

Paul MacMillan (President)
Superintendent SAU 35

Robert Mills
Superintendent SAU 7

Keith Pfeifer
Superintendent SAU 84

Annemarie Platt (Treasurer)
Member At Large

Kevin Shyne
Member At Large

Kay Soucy
Representative, SAU 7

Deborah Stewart
Representative, WMCC-Berlin

Tom McGuire
Superintendent SAU 77

Richard Pike
Superintendent Blue Mtn SU (VT)

Vacant
Representative, Tri-County Cap

Vacant
Representative, Granite State College

Third Tuesday of each month at NCES.



<p>Professional Development</p> <p>Professional Development</p> <p>North Country Professional Development Day</p> <p>Related Links</p>	<p>Who we are</p> <p>NCES in 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.</p>	<p>Consortium Members</p> <p>SAU 3</p>
<p>Media Center</p> <p>Search Online Catalog</p> <p>Place Order Online</p> <p>Who Can Borrow?</p> <p>Delivery & Pickup Schedule</p> <p>About the Media Center</p>	<p>Mission</p> <p>Promoting excellence in education for SAUs and their learning communities through cost-effective collaboration.</p>	<p>SAU 7</p> <p>SAU 9</p> <p>SAU 20</p> <p>SAU 23</p> <p>SAU 35</p>
<p>Other Programs & Projects</p> <p>Special Education Services</p> <p>Adult Learner Services</p>	<p>Vision</p> <ul style="list-style-type: none"> ▪ 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 	<p>SAU 36</p> <p>SAU 58</p>
<p>TeachNorth</p> <p>Teaching in northern NH</p>	<p>History</p> <p>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.</p>	<p>SAU 68</p> <p>SAU 77</p>
<p>NCES Staff Access</p> <p>Staff page</p>	<p>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.</p>	<p>SAU 84</p>
<p>Employment</p> <p>Job Openings at NCES</p>	<p>NCES first opened its doors in North Conway for the purpose of providing:</p> <ol style="list-style-type: none"> 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 <p>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.</p>	

ATTACHMENT A
North Country Education Services
List of Key Personnel

Name

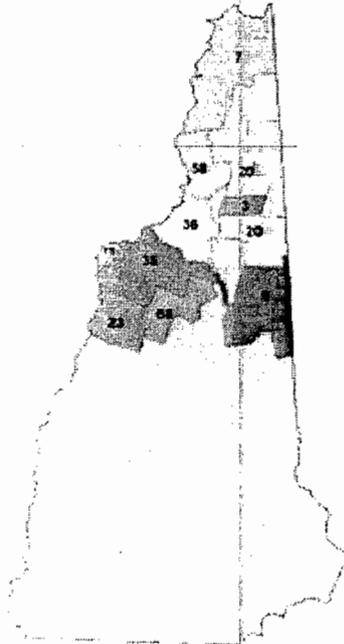
Betty Dube Financial Manager

Lori Langlois Associate Director

Contractor Initials LL

Date 6/4/13

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.

Entity Overview

Entity Information

Name: NORTH COUNTRY EDUCATION SERVICES AGENCY INC
Doing Business As: NCES
Business Type: Business or Organization
POC Name: None Specified
Registration Status: Active
Expiration Date: 07/30/2013

Exclusions

Active Exclusion Records? No

SAM | System for Award Management 1.0

IBM v1.962.20130517-1146

WWW7

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NORTH COUNTRY EDUCATION
SERVICES AGENCY

FINANCIAL STATEMENTS
With Independent Auditor's Report Thereon

JUNE 30, 2012 and 2011

NORTH COUNTRY EDUCATION SERVICES AGENCY

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June 30, 2012 and 2011

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The Mercier Group

A Professional Corporation

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL PRESENTATION

To the Members of the Board of Directors
North Country Education Services Agency
Gorham, New Hampshire

We have audited the accompanying statements of financial position the North Country Education Services Agency as of June 30, 2012 and 2011 and the related statements of activities and cash flows for the years then ended as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards that are generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Paul J. Mercier, Jr. cpa for

The Mercier Group, a professional corporation

December 26, 2012

Financial Statements

Exhibit A
NORTH COUNTRY EDUCATION SERVICES AGENCY
Statements of Financial Position
 June 30, 2012 and 2011

All numbers are expressed in American Dollars

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash	3,585	219,279
Investments	283,637	304,908
Accounts receivable	174,589	137,678
Prepaid expenses	-	50
	461,811	661,915
RESTRICTED CASH	22,608	22,608
PROPERTY AND EQUIPMENT		
Land	35,000	35,000
Buildings	609,967	609,967
Equipment	335,161	538,864
Less: accumulated depreciation	(617,548)	(773,008)
	362,580	410,823
	846,999	1,095,346
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current:		
Line of credit	31,725	-
Current maturities of long-term debt:		
Mortgage Note Payable	14,319	13,486
Accounts payable	7,065	6,313
	53,109	19,799
Long-term, <i>less current maturities</i>		
Mortgage Note Payable	130,168	144,486
	183,277	164,285
NET ASSETS		
Unrestricted:		
Board designated for building improvements	32,707	32,682
Undesignated:		
Net investment in property & equipment	218,093	252,850
Available to operations	340,746	549,077
Temporarily restricted:		
For loan guarantees	22,608	22,608
For program purposes	49,568	73,844
	663,722	931,061
	846,999	1,095,346

See accompanying notes to the financial statements.

Exhibit B
NORTH COUNTRY EDUCATION SERVICES AGENCY
Statements of Activities
For the Fiscal Years Ending June 30, 2012 and 2011

All amounts are expressed in American dollars

	2012			2011		
	Temporarily			Temporarily		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
OPERATING SUPPORT, REVENUES AND RECLASSIFICATIONS						
Federal grants		188,364	188,364		253,433	253,433
Local government agencies		201,412	201,412		423,235	423,235
Other non-profit agencies		71,481	71,481		920	920
Corporate donations			-		2,608	2,608
Program service revenue	1,132,342		1,132,342	1,012,752		1,012,752
Member assessments	87,837		87,837	95,578		95,578
Net assets released from restriction:						
Satisfaction of program restrictions	485,533	(485,533)	-	733,917	(733,917)	-
	<u>1,705,712</u>	<u>(24,276)</u>	<u>1,681,436</u>	<u>1,842,247</u>	<u>(53,721)</u>	<u>1,788,526</u>
OPERATING EXPENSES						
Program Services:						
NCES Programs	1,240,033		1,240,033	1,107,137		1,107,137
LESCN	-		-	28,651		28,651
NH Children in Nature	15,293		15,293	26,467		26,467
Adult Learner Services	135,649		135,649	119,348		119,348
ABE College Transitions	6,251		6,251	5,878		5,878
Migrant	52,715		52,715	43,673		43,673
Mini-grants	-		-	383		383
Alcohol Abuse and Prevention	-		-	196,666		196,666
SI, TA & PD Initiative	23,732		23,732	-		-
COOS Teachers Tillotson	5,660		5,660	746		746
Film Festival	4,468		4,468	34,934		34,934
Coos Teachers FY'11	36,758		36,758	9,021		9,021
RTI	17,738		17,738	68,797		68,797
Collaboration	28,573		28,573	-		-
Summer Summit Initiative	4,493		4,493	-		-
Performance Pathways	-		-	2,100		2,100
College Prep	-		-	18,575		18,575
Roy Foundation	2,200		2,200	1,800		1,800
SAHE	90,258		90,258	73,254		73,254
TLC	56,935		56,935	35,724		35,724
	<u>1,720,756</u>	<u>-</u>	<u>1,720,756</u>	<u>1,773,154</u>	<u>-</u>	<u>1,773,154</u>
Support services:						
Management and general	242,851		242,851	239,840		239,840
	<u>242,851</u>	<u>-</u>	<u>242,851</u>	<u>239,840</u>	<u>-</u>	<u>239,840</u>
	<u>1,963,607</u>	<u>-</u>	<u>1,963,607</u>	<u>2,012,994</u>	<u>-</u>	<u>2,012,994</u>
NET OPERATING INCOME(LOSS)	<u>(257,895)</u>	<u>(24,276)</u>	<u>(282,171)</u>	<u>(170,747)</u>	<u>(53,721)</u>	<u>(224,468)</u>
NONOPERATING SUPPORT, REVENUES AND RECLASSIFICATIONS						
Investment income(loss)	14,832		14,832	11,331		11,331
Increase(decrease) in fair value of investments	-		-	59,821		59,821
Insurance claim			-		1,281	1,281
	<u>14,832</u>	<u>-</u>	<u>14,832</u>	<u>71,152</u>	<u>1,281</u>	<u>72,433</u>
CHANGE IN NET ASSETS	<u>(243,063)</u>	<u>(24,276)</u>	<u>(267,339)</u>	<u>(99,595)</u>	<u>(52,440)</u>	<u>(152,035)</u>
NET ASSETS - BEGINNING	<u>834,609</u>	<u>96,452</u>	<u>931,061</u>	<u>934,204</u>	<u>148,892</u>	<u>1,083,096</u>
NET ASSETS - ENDING	<u>591,546</u>	<u>72,176</u>	<u>663,722</u>	<u>834,609</u>	<u>96,452</u>	<u>931,061</u>

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, 2012 and 2011

All amounts are expressed in American dollars

	2012			2011		
	Regular	Management	Total	Regular	Management	Total
	Educational Programs	and General		Educational Programs	and General	
EXPENSES						
Salaries and other compensation	791,105	159,067	950,172	796,191	154,175	950,366
Payroll taxes	62,959	13,108	76,067	65,280	12,660	77,940
Employee benefits	262,840	31,885	294,725	202,178	30,828	233,006
Staff development	21,788	-	21,788	20,396	-	20,396
Contracted services	254,213	5,800	260,013	391,405	5,800	397,205
Occupancy	36,396	8,840	45,236	46,289	12,072	58,361
Administrative expenses	62,004	6,072	68,076	48,164	6,085	54,249
Travel	38,493	3,738	42,231	46,579	3,242	49,821
Materials & supplies	137,116	-	137,116	86,795	-	86,795
Non-depreciable Equipment	10,802	-	10,802	24,943	-	24,943
Depreciation	36,182	12,061	48,243	37,504	12,501	50,005
Interest	6,858	2,280	9,138	7,430	2,477	9,907
	1,720,756	242,851	1,963,607	1,773,154	239,840	2,012,994

See accompanying notes to financial statements.

Exhibit D
NORTH COUNTRY EDUCATION SERVICES AGENCY
Statements of Cash Flows
For the Fiscal Years Ending June 30, 2012 and 2011

All amounts are expressed in American dollars

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of public support and revenues over (under) expenditures	(267,339)	(152,035)
<i>Adjustments to reconcile to net cash provided by (used in) operating activities:</i>		
Depreciation Expense	48,243	50,005
Change in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(36,911)	84,734
Prepaid expenses	50	4,112
Increase (decrease) in liabilities:		
Accounts payable	752	2,386
	(255,205)	(10,798)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (Purchase)Disposal of Fixed Assets	-	(36,039)
Net (Purchases)Sale of Investments	21,271	(29,915)
	21,271	(65,954)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in line of credit	31,725	
Principal payments - mortgage notes	(13,485)	(12,702)
	18,240	(12,702)
NET INCREASE (DECREASE) IN CASH	(215,694)	(89,454)
CASH - BEGINNING	241,887	331,341
CASH - ENDING	26,193	241,887
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for interest	9,138	9,907

See accompanying notes to the financial statements.

NORTH COUNTRY EDUCATION SERVICES AGENCY

Notes to Financial Statements

June 30, 2012 and 2011

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, 2012 and 2011

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, 2012 and 2011

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, 2012 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, 2012 and 2011 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, 2012 and 2011, include the following:

	<u>2012</u>	<u>2011</u>
New Hampshire Public Deposit Investment Pool	\$ 214	\$ 34,040
Mutual Funds	<u>283,423</u>	<u>270,868</u>
	<u>\$ 283,637</u>	<u>\$ 304,908</u>

The composition of investment return in the statement of activities for the years ended December 31, 2012 and 2011 were as follows:

	<u>2012</u>	<u>2011</u>
Unrestricted:		
Interest and dividends	\$ 2,277	\$ 11,331
Capital gain distributions	<u>12,555</u>	<u>59,821</u>
	<u>\$ 14,832</u>	<u>\$ 71,152</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

NORTH COUNTRY EDUCATION SERVICES AGENCY

Notes to Financial Statements

June 30, 2012 and 2011

SEC's Rule 2a7 of the Investment Company Act of 1940. This rule allows SEC-registered 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, 2012 and 2011 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 (Primex³) 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 *Primex³*, which retained \$1,000,000 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.

The Member Participation Agreement permits *Primex³* 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, 2012 and 2011

Property and Equipment. A summary of changes in property and equipment for the fiscal years ended June 30, 2012 and 2011 are as follows:

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Land	\$ 35,000	\$ -	\$ -	\$ 35,000
Buildings	609,967	-	-	609,967
Equipment & Furnishings	538,864	-	-	538,864
	1,183,831	-	-	1,183,831
Less: Accumulated Depreciation	(773,008)	-	-	(773,008)
	<u>\$ 410,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 410,823</u>

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Land	\$ 35,000	\$ -	\$ -	\$ 35,000
Buildings	609,967	-	-	609,967
Equipment & Furnishings	502,825	36,039	-	538,864
	1,147,792	36,039	-	1,183,831
Less: Accumulated Depreciation	(723,003)	(50,005)	-	(773,008)
	<u>\$ 424,789</u>	<u>\$ (13,966)</u>	<u>\$ -</u>	<u>\$ 410,823</u>

LIABILITIES

Line of Credit. During fiscal years ended June 30, 2012 and 2011, 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, 2012 and 2011 were \$31,725 and zero respectively.

Long-Term Debt. Long-term debt as of June 30, 2012 and 2011 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, 2012 and 2011 were as follows:

<u>Year Ending June 30</u>	<u>2012</u>	<u>2011</u>
2012	\$	\$ 13,486
2013	14,319	14,319
2014	15,203	15,203
2015	16,142	16,142
2016	17,138	17,138
2016-2021	81,684	81,684
	<u>\$ 144,486</u>	<u>\$ 157,972</u>

NORTH COUNTRY EDUCATION SERVICES AGENCY

Notes to Financial Statements

June 30, 2012 and 2011

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, 2012 through June 30, 2012 are as follows:

<u>Group I:</u>	
Employees	8.80%
Teachers	11.30%
<u>Group II:</u>	
Police	19.95%
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, 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	64,740
	<u>\$ 162,151</u>

NORTH COUNTRY EDUCATION SERVICES AGENCY

Notes to Financial Statements

June 30, 2012 and 2011

The payroll for employees covered by the System for the year ended June 30, 2011, was \$906,522; the organization's total payroll was \$953,335. Contribution requirements for the year ended June 30, 2011, were as follows:

State of New Hampshire	\$ 16,601
Employer Contributions	75,976
Employee Contributions	<u>45,326</u>
	<u>\$ 137,903</u>

NET ASSETS

Temporarily Restricted Net Assets.

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

	<u>2012</u>	<u>2011</u>
VHS/Distance Learning	\$ 13,165	\$ 18,271
NH Child in Nature		15,293
ALS Under 18	243	1,322
COOS Teachers – Tillotson grant	21,579	
COOS Teachers – FY'11		36,758
Film Festival	4,134	
Collaboration- Tillotson grant	7,067	
Roy Foundation		2,200
Globe	<u>3,380</u>	
	<u>\$ 49,568</u>	<u>\$ 73,844</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, 2012 and 2011 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, 2012 were as follows:

	<u>2012</u>	<u>2011</u>
Building Improvements	<u>\$ 32,707</u>	<u>\$ 32,682</u>

NORTH COUNTRY EDUCATION SERVICES AGENCY

Notes to Financial Statements

June 30, 2012 and 2011

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.

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

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 4/6/12
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

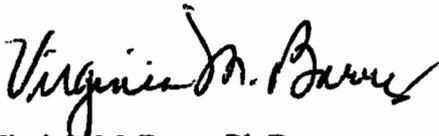
The NHMEP posted an RFP on the DOE website for supplemental educational services for migrant students. North Country Education Services (NCES) was the only response to the RFP. They submitted a complete proposal that was evaluated by three individuals and was given an approval rating by all three. NCES 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: