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(initials)

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

Nicholas A. Toumpas
Commissioner

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

Maggie Bishop
Director

March 7, 2013

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Children, Youth and Families to enter into an agreement with the Easter Seals New Hampshire, Inc., 555 Auburn Street, Manchester, New Hampshire (Vendor # 92504), for the provision of after hours information and referral services, effective July 1, 2013 through June 30, 2015, for an amount not to exceed \$84,967.00. Funds to support this request are anticipated to be available in the following account in SFY 2014 and SFY 2015 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts if needed and justified, between State Fiscal Years:

40% FED 60% GEN

05-95-42-4421010-2957 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS,
HHS: HUMAN SERVICES, CHILD PROTECTION, CHILD PROTECTION

Class/Object	Title	Activity Code	State Fiscal Year 2014	State Fiscal Year 2015	Total Amount
102-500734	Contracts for Program Services	40025500	\$42,092.00	\$42,875.00	\$84,967.00

EXPLANATION

The above action is requested to provide after hours information and referral services. The service is needed to ensure: that the public can report child abuse or neglect during Division for Children, Youth and Families non-business hours; that citizens are provided with quality information and referral services, 24-hours a day, about community resources their families may need; that abused or neglected children have a safe place to stay when they are removed from their homes during the Division's non-business hours; and that the potential for harm to children at risk of abuse or neglect is reduced by bringing the issue to the attention of local law enforcement agencies during the Division's non-business hours.

Competitive Bidding Process

On October 5, 2012 the Division issued a Request for Proposal for this service. The RFP was published on the Department of Health and Human Services website. There were no responses to this RFP. On December 14, 2012 the Division reissued the RFP, it was again published on the Department website. The only agencies to submit a bid in response to this RFP were New Orleans Teleport, Inc d/b/a CALLS PLUS and from Easter Seals New Hampshire.

Stated in the RFP's language was proposal evaluation criteria (see attached evaluation summary) that fully described the factors that the Division would utilize in assessing the effectiveness of proposals received. In

preparing for the review of anticipated bids, the Division formed a multi-discipline Evaluation Committee. Each Committee member was given a Confidentiality Statement to ensure that information about the bidding and evaluation process would not be inappropriately released throughout the RFP cycle. Similarly, upon learning of CALLS PLUS and Easter Seals New Hampshire's proposals, each member was given a Conflict of Interest Statement to assure that the bid received in response to the RFP posed no personal or financial conflict for reviewers.

The Committee members individually reviewed both proposals; CALLS PLUS scored an average of 65.73 points, out of a possible 100 and Easter Seals New Hampshire scored an average of 84.88 points out of a possible 100. After reviewing each committee member's comments, the committee recommended awarding an agreement to Easter Seals New Hampshire for the provision of this service. The Division Director concurred with the Committee's recommendation, based on the factors shared by the Committee and the cost and agreement terms successfully negotiated with Easter Seals New Hampshire. Should Governor and Executive Council not approve this agreement the potential for harm to children at risk of abuse or neglect is increased by not bringing the issue to the attention of local law enforcement agencies during the Division's non-business hours.

Vendor Performance

This agreement represents a continuation of Easter Seals New Hampshire's performance of after hours information and referral services for the Division. Easter Seals New Hampshire utilizes highly skilled clinical staff to respond to urgent child welfare calls received through this service. The Division is confident that people accessing the service will receive quality information and emergency placements of children will be appropriately managed.

Agreement Terms

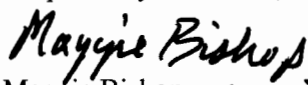
The RFP and attached agreement call for the provision of after hours information and referral services for two years and reserves the Division's option to renew these services for up to two additional years, based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Executive Council approval.

In this agreement, ESNH will contribute 5% of the total program costs. In addition, through contract negotiations, Easter Seals New Hampshire's administrative costs were reduced to less than 9%.


Geographic area served: Statewide

Source of funds: 40% Federal, 60% General. In the event that Federal funds become no longer available, General funds will not be requested to support this program.

Respectfully submitted,


Maggie Bishop (LCSW)
Director

Approved by:


Nicholas Toumpas
Commissioner

Proposal Evaluation Summary

Individual Evaluator Scores

After Hours Information and Referral Services RFP #13-DCYF-AHIRS-09
January 16, 2013

	Individual Evaluator Scores													
	Robert Boisvert		Marie Noonan		John Harrington		Lorraine Barlett		Deb Kavanaugh		Easter Seals (ES)		Calls Plus (CP)	
	ES	CP	ES	CP	ES	CP	ES	CP	ES	CP	Average	Raw	Average	Raw
1. General Evaluation Criteria (Up to 33 Points for each criteria - value 5% of total)														
a	Conformity in form and format to instructions contained in the RFP													
b	Competence and execution in the proper manner													
c	Services proposed in response to proposal specifications													
	99.00	91.00	99.00	81.00	83.00	75.00	83.00	65.00	99.00	81.00	4.63	463.00	3.93	393.00
2. Experience (Up to 25 Points for each criteria - value 20% of total)														
a	Demonstrated capacity of the agency to implement the program													
b	The past experience of the Bidder in providing information and referral services regarding community-based programs and child welfare services													
c	The Bidder's past experience with receiving and responding to child abuse and neglect reports													
d	The Bidder's ability to work with the Division for Children, Youth, and Families, other state agencies, or other agencies													
	25.00	20.00	25.00	20.00	20.00	25.00	25.00	20.00	25.00	20.00	24.00	120.00	21.00	105.00
	25.00	15.00	25.00	15.00	25.00	20.00	25.00	15.00	25.00	15.00	25.00	125.00	16.00	80.00
	20.00	5.00	20.00	15.00	20.00	20.00	20.00	5.00	25.00	5.00	22.00	110.00	10.00	50.00
	20.00	25.00	25.00	20.00	25.00	20.00	20.00	20.00	25.00	20.00	23.00	115.00	21.00	105.00
	90.00	65.00	95.00	70.00	95.00	85.00	90.00	60.00	100.00	60.00	18.80	470.00	13.60	340.00
3. Program Description (Up to 25 Points for each criteria - value 35% of total)														
a	Qualifications and adequacy of staffing													
b	The extent to which the proposed program meets or exceeds each of the specifications													
c	The acceptability of the staffing plan, staff credentials and other operational specifications													
d	The ability of the agency to provide qualitative and measurable outcome information													
	25.00	5.00	25.00	5.00	20.00	15.00	20.00	5.00	25.00	5.00	23.00	115.00	7.00	35.00
	25.00	5.00	25.00	15.00	20.00	15.00	25.00	15.00	25.00	15.00	24.00	120.00	13.00	65.00
	25.00	15.00	25.00	0.00	25.00	15.00	25.00	15.00	25.00	5.00	25.00	125.00	10.00	50.00
	20.00	20.00	20.00	25.00	20.00	25.00	20.00	20.00	20.00	20.00	19.00	95.00	22.00	110.00
	95.00	45.00	95.00	45.00	85.00	70.00	85.00	55.00	95.00	45.00	31.85	465.00	18.20	260.00
4. Cost and Resources (Up to 25 Points for each criteria - value 40% of total)														
a	The cost effectiveness of the proposal													
b	The acceptability of the total cost based on the project's scope of services and any contractor match													
c	The completeness and accuracy of the budget													
d	The acceptability of the line item costs as detailed in the budget narrative													
	15.00	25.00	20.00	25.00	20.00	25.00	20.00	25.00	20.00	20.00	19.00	95.00	24.00	120.00
	15.00	20.00	20.00	20.00	20.00	20.00	20.00	15.00	20.00	20.00	19.00	95.00	19.00	95.00
	15.00	15.00	20.00	15.00	20.00	20.00	20.00	15.00	20.00	15.00	19.00	95.00	16.00	80.00
	15.00	15.00	20.00	15.00	20.00	20.00	15.00	15.00	15.00	15.00	17.00	85.00	16.00	80.00
	60.00	75.00	80.00	75.00	80.00	85.00	75.00	70.00	75.00	70.00	29.60	370.00	30.00	375.00
	344.00	276.00	368.00	271.00	343.00	315.00	333.00	250.00	389.00	256.00	64.86	1758.00	66.73	1368.00
	TOTAL													

EVALUATION COMMITTEE BACKGROUND

Robert Boisvert: DCYF Administrator, Business Operations; oversight of After-Hours Contract, former DCYF Child Protection Assistant Administrator and Training Bureau Administrator.

Marie Noonan: Field Administrator, DCYF Bureau of Child Protection; has oversight of three DCYF District Offices, as well as DCYF Central Intake. She is the on-call Administrator.

John Harrington: Contract Specialist, DHHS

Lorraine Barlett: Administrator, DCYF Bureau of Child Protection; has oversight of Statewide child protection program and on call Assistant Child Protection Administrators

Deb Kavanaugh: Field Administrator, DCYF Bureau of Child Protection

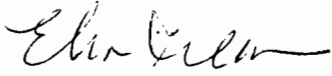
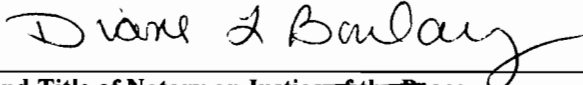

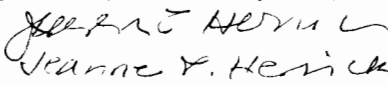
Subject: After Hours Information and Referral Services

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services Division for Children, Youth and Families		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Easter Seals New Hampshire, Inc.		1.4 Contractor Address 555 Auburn Street Manchester, NH 03103	
1.5 Contractor Phone Number 603-621-3463	1.6 Account Number 05-95-42-4421010-2957-102- 500734-40025500	1.7 Completion Date 6/30/2015	1.8 Price Limitation \$84,967.00
1.9 Contracting Officer for State Agency John Harrington		1.10 State Agency Telephone Number 603-271-9540	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Elin Treanor, Chief Financial Officer	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>3/15/13</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 			
1.13.2 Name and Title of Notary or Justice of the Peace DIANE L. BOULAY, Notary Public My Commission Expires September 3, 2013			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Maggie Bishop, Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Jeanne Y. Herick, Attorney On: <u>2 Apr. 2013</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

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

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

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

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

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

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

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

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

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

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

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

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

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

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

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

14. INSURANCE.

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

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

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

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

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

Contractor Initials: ET
Date: 3/15/2015

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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

Exhibit A

SCOPE OF SERVICES

DATE: February 27, 2013

CONTRACT PROJECT: After Hours Information and Referral Services

CONTRACT PERIOD: July 1, 2013 through June 30, 2015

CONTRACTOR NAME: Easter Seals New Hampshire

ADDRESS: 555 Auburn Street
Manchester, NH 03103-4800

TELEPHONE: (603) 621-3463

E-MAIL: etreanor@eastersealsnh.org

PROJECT DIRECTOR: Elin Treanor

1. Provisions Applicable To All Services

- 1.1. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or Federal or State court orders may have an impact on the Service(s) described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Contract so as to achieve compliance therewith, in which event the price limitations for such Service(s) will be renegotiated.
- 1.2. The Contractor agrees to use its best efforts to apply for any and all appropriate public and private sources of funds which are applicable to the funding of the Service(s) stipulated below, including, but not limited to, funds provided by the Department of Education, local agencies, United Way, the United States Department of Agriculture, Health Care Financing Administration, and the National Runaway Program. Appropriate records will be maintained by the Contractor to document actual funds received or denials of funding from such sources of funds.

2. Population Served

1. The program shall serve any individual wishing to access these services statewide.

3. Services to be Provided

- 3.1 The Contractor shall provide after hour access information and referral services to callers inquiring about community-based agencies that can provide needed services for families. To ensure the accuracy of information provided, the Contractor shall maintain an updated list of agencies throughout the state, the types of services each provides, and their contact information.

E.T.

3/15/2013

3.2 The Contractor shall provide child welfare specific information and referral support services, during the Division's non-business hours, to ensure that individuals and law enforcement personnel have access to the State's child welfare system during non-business hours. Such support shall include, at minimum:

- a. Provide placement resources to law enforcement to facilitate placements for children in immediate need of care due to abuse or neglect.
- b. Ensure access to DCYF resources for verbal authorization to secure emergency medical treatment for children in DCYF guardianship when DCYF offices are closed.
- c. Provide information and referral services to support parents and individuals at risk of abusing or neglecting a child or children.
- d. Provide information and referrals for individuals to report potential child abuse and neglect.
- e. Provide information to individuals who want to learn about child abuse and neglect in general.
- f. Receiving, documenting, and reporting DCYF intake messages that have been received through the Contractor to DCYF.
- g. Responding to callers requesting information and referral assistance to community-based agencies that can provide needed services for families.
- h. Receiving, documenting, and reporting allegations of child abuse or neglect, wherein the callers indicate that immediate intervention may be necessary, and relaying this information to appropriate law enforcement officials for their immediate investigation.

3.3 The Contractor shall work with DCYF to identify and maintain a list of emergency placement homes, DCYF on-call staff and their contact information, and DCYF Intake Unit staff and contact information, for the purpose of:

- a. Facilitating the identification of and access to an emergency placement home upon a request from a law enforcement agency;
- b. Facilitating access to DCYF on-call staff for the purposes of obtaining verbal authorization for emergency medical treatment of children in DCYF guardianship; contacting a DCYF representative when an emergency placement home cannot be found or in any other instance wherein the Contractor deems it appropriate to contact DCYF on-call staff; and
- c. Communicating with the DCYF Intake Unit by 9AM the next business day to convey messages and non-emergency reports of alleged child abuse and/or neglect in a timely manner.

4. Program Outcomes

4.1 Abused or neglected children have a safe place to stay when they are removed from their homes during DCYF's non-business hours.

- a. To document this outcome, the Contractor shall demonstrate that calls were received, logged, responded to, and relayed appropriately.

4.2 Ensure the Community has DCYF resources for verbal authorization to secure emergency medical treatment for children in DCYF guardianship when DCYF offices are closed.

- a. To document this outcome, the Contractor shall demonstrate that calls were received, logged, responded to, and relayed appropriately. Individuals are able to report child abuse and neglect during DCYF's non-business hours.

4.3 Individuals are able to receive quality information and referral services, 24-hours a day, to help them access community resources that support family needs.

- b. To document this outcome the Contractor shall conduct consumer satisfaction surveys that accurately assess the quality of services provided, report the survey results to DCYF, identify any areas of needed improvement and develop an improvement plan to address such areas.

4.4 The potential for harm to children at risk of abuse or neglect is reduced through bringing the issue to the attention of the proper authorities during DCYF's non-business hours.

- a. To document this outcome, the Contractor shall demonstrate that calls were received, logged, responded to, and relayed appropriately.
- b. For non-emergency reports, the Contractor shall also demonstrate that the information gathered was appropriately and promptly routed to DCYF by 9AM the business day.

5. Operational Specifications

1. General

1.1 The Contractor shall operate and staff the in-state toll-free information and referral telephone line after hours, 365 days per year.

1.2 The Contractor shall ensure that services provided are responsive and accessible to New Hampshire's diverse community.

2. Staff Qualifications

2.1 The Contractor shall staff this program with individuals trained in receiving and responding to the types of calls described in the Services to be Provided section of this RFP.

2.2 The Contractor shall identify a project director to be the primary contact person with which the Division will coordinate the services contracted.

3. Records and Reporting Requirements

- 3.1 The Contractor shall promptly provide daily reports of abuse or neglect received during DCYF's non-business hours to DCYF Central Intake by 9AM the next business day.
- 3.2 The Contractor shall provide periodic reports to the Division that includes a variety of data elements to document the volume and nature of calls received and responded to.

The Contractor shall provide to the Division, at least annually, the results of its annual consumer satisfaction survey.

6. Special Provisions

- a. The Contractor shall begin providing services July 1, 2013 or within 30 days after the date of Governor and Executive Council approval of the contract, whichever is later, and shall continue to provide services until June 30, 2015.
- b. The Division reserves the right to renew the contract for up to two additional years, subject to continued availability of funds, satisfactory performance of services, and approval by the Governor and Honorable Executive Council.
- c. The Contractor shall comply with the confidentiality provisions of RSA 170-G: 8-a. All information regarding the Division's clients, client families, foster families, and other involved individuals that the Contractor may learn is strictly confidential and shall not be discussed with anyone except the Division's personnel in the performance of contracted services.

EXHIBIT B

PURCHASE OF SERVICES

Agency Name: Easter Seals New Hampshire, Inc.

Program Period: July 1, 2013 to June 30, 2015

1. Subject to the Provider's compliance with the terms and conditions of this agreement, and for services provided to eligible individuals, the Office of the Commissioner shall reimburse the provider up to a maximum total payment of \$84,967.00.
2. Monthly payment to the Contractor shall be made based on a cost reimbursement based on actual expenditures incurred in fulfillment of this agreement. Expenditures shall be submitted in accordance with the line item budget shown on Exhibit B-2 and shall be made subject to the following conditions:
 - 2.1 A DCYF generated invoice template, specific to this agreement, shall be issued to the Contractor within 30 days of July 1, 2013 or agreement approval whichever is later. The invoice template shall be completed by the Contractor, signed, and returned to John Harrington, Contract Specialist, Division for Children, Youth and Families, Department of Health and Human Services, 129 Pleasant Street, Concord, NH 03301-3857, in order to initiate payment. Invoices must be signed by an authorized representative of the Contractor.
 - 2.2 Payment of the full Contract Price shall be contingent upon the Contractor providing the Contractor match, as indicated in Exhibit B-2. Expenditures shall be in accordance with the approved line item budget shown in Exhibit B-2 and personnel costs billed in accordance with Exhibit B-1. Any adjustments in a line item in Exhibit B-1 or B-2 in excess of 10% shall require the prior written approval of DCYF.
 - 2.3 Payments may be withheld pending receipt of the required reports outlined in Exhibit A.
 - 2.4 The Contractor shall ensure that the final documents for payment are submitted to DCYF no later than sixty (60) days after this Contract ends.
 - 2.5 Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this Contract may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the Services provided, or if the said Services have not been completed in accordance with the terms and conditions of this Contract.
3. The Division reserves the right to renew the Contract for up to two additional years, subject to continued availability of funds, satisfactory performance of services, and approval by the Governor and Executive Council.

**State of New Hampshire
Department of Health and Human Services**

Division for Children, Youth and Families

RFP # 13-DCYF-AHIRS-10
EXHIBIT B-1
PERSONNEL DATA

State Fiscal Year 2014

	Name	Title	Annual Salary	% of Time to Work on the Project	Project Amount Charged for SFY 2014 (7/1/13-6/30/14)
1	John DeVos	Asst to COO	\$ 79,000.00	10%	\$ 7,900.00
2	Donna Keefe	After Hours Staff	\$54/day	40%	\$ 7,992.00
3	Terry Keily-Forrest	After Hours Staff	\$54/day	40%	\$ 7,992.00
4	Joyce Currier	After Hours Staff	\$54/day	20%	\$ 3,996.00
5			\$ -		\$ -
6			\$ -		\$ -
7			\$ -		\$ -
8					\$ -
9					
	Total:				\$ 27,880.00

State Fiscal Year 2015

	Name	Title	Annual Salary	% of Time to Work on the Project	Project Amount Charged for SFY 2015 (7/1/14-6/30/15)
1	John DeVos	Asst to COO	\$ 81,370.00	10%	\$ 8,137.00
2	Donna Keefe	After Hours Staff	\$55/day	40%	\$ 8,140.00
3	Terry Keily-Forrest	After Hours Staff	\$55/day	40%	\$ 8,140.00
4	Joyce Currier	After Hours Staff	\$55/day	20%	\$ 4,070.00
5			\$ -		\$ -
6			\$ -		\$ -
7			\$ -		\$ -
8					\$ -
9					
	Total:				\$ 28,487.00

New Hampshire Department of Health and Human Services

Easter Seals New

Bidder/Program Name: Hampshire, Inc

Budget Request for: RFP# 13-DCYF-AHIRS-09

(Name of RFP)

Budget Period: SFY14 - 7/1/13 - 6/30/14

Line Item						
1. Total Salary/Wages	\$ 27,880	\$	\$ 27,880	\$	\$ 27,880	
2. Employee Benefits	\$ 8,085	\$	\$ 8,085	\$	\$ 8,085	
3. Consultants	\$	\$	\$ -	\$	\$ -	
4. Equipment:	\$	\$	\$ -	\$	\$ -	
Rental	\$	\$	\$ -	\$	\$ -	
Repair and Maintenance	\$	\$	\$ -	\$	\$ -	
Purchase/Depreciation	\$	\$	\$ -	\$	\$ -	
5. Supplies:	\$	\$	\$ -	\$	\$ -	
Educational	\$	\$	\$ -	\$	\$ -	
Office	\$ 200	\$	\$ 200	\$	\$ 200	
6. Travel	\$	\$	\$ -	\$	\$ -	
7. Occupancy	\$	\$	\$ -	\$ 2,400	\$ 2,400	
8. Current Expenses	\$	\$	\$ -	\$	\$ -	
Telephone	\$ 1,800	\$	\$ 1,800	\$	\$ 1,800	
Postage	\$ 300	\$	\$ 300	\$	\$ 300	
Subscriptions	\$	\$	\$ -	\$	\$ -	
Audit and Legal	\$	\$	\$ -	\$	\$ -	
Insurance	\$	\$	\$ -	\$	\$ -	
Board Expenses	\$	\$	\$ -	\$	\$ -	
9. Software	\$	\$	\$ -	\$	\$ -	
10. Marketing/Communications	\$	\$	\$ -	\$	\$ -	
11. Staff Education and Training	\$	\$	\$ -	\$	\$ -	
12. Subcontracts/Agreements	\$	\$	\$ -	\$	\$ -	
13. Other (specific details mandatory):	\$	\$ 3,827	\$ 3,827	\$	\$ 3,827	allocation @ 10% of direct expense
TOTAL	\$ 38,265	\$ 3,827	\$ 42,092	\$ 2,400	\$ 44,492	

Indirect As A Percent of Direct

10%

ET
3/15/2013

New Hampshire Department of Health and Human Services

Easter Seals New

Bidder/Program Name: Hampshire, Inc

Budget Request for: RFP# 13-DCYF-AHIRS-09

(Name of RFP)

Budget Period: SFY15 - 7/1/14 - 6/30/15

Line Item	Direct Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 28,487	\$	\$ 28,487	\$	\$ 28,487	
2. Employee Benefits	\$ 8,261	\$	\$ 8,261	\$	\$ 8,261	
3. Consultants	\$	\$	\$ -	\$	\$ -	
4. Equipment:	\$	\$	\$ -	\$	\$ -	
Rental	\$	\$	\$ -	\$	\$ -	
Repair and Maintenance	\$	\$	\$ -	\$	\$ -	
Purchase/Depreciation	\$	\$	\$ -	\$	\$ -	
5. Supplies:	\$	\$	\$ -	\$	\$ -	
Educational	\$	\$	\$ -	\$	\$ -	
Office	\$ 200	\$	\$ 200	\$	\$ 200	
6. Travel	\$	\$	\$ -	\$	\$ -	
7. Occupancy	\$	\$	\$ -	\$ 2,400	\$ 2,400	
8. Current Expenses	\$	\$	\$ -	\$	\$ -	
Telephone	\$ 1,800	\$	\$ 1,800	\$	\$ 1,800	
Postage	\$ 300	\$	\$ 300	\$	\$ 300	
Subscriptions	\$	\$	\$ -	\$	\$ -	
Audit and Legal	\$	\$	\$ -	\$	\$ -	
Insurance	\$	\$	\$ -	\$	\$ -	
Board Expenses	\$	\$	\$ -	\$	\$ -	
9. Software	\$	\$	\$ -	\$	\$ -	
10. Marketing/Communications	\$	\$	\$ -	\$	\$ -	
11. Staff Education and Training	\$	\$	\$ -	\$	\$ -	
12. Subcontracts/Agreements	\$	\$	\$ -	\$	\$ -	
13. Other (specific details mandatory):	\$	\$ 3,827	\$ 3,827	\$	\$ 3,827	allocation @ 9.8% of direct expense
TOTAL	\$ 39,048	\$ 3,827	\$ 42,875	\$ 2,400	\$ 45,275	

Indirect As A Percent of Direct

9.80%

ET
3/15/2013

NH Department of Health and Human Services**STANDARD EXHIBIT C****SPECIAL PROVISIONS**

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

2. Compliance with Federal and State Laws: If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

3. Time and Manner of Determination: Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

4. Documentation: In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

5. Fair Hearings: The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

6. Gratuities or Kickbacks: The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

7. Retroactive Payments: Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

8. Conditions of Purchase: Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractor's costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:

8.1 Renegotiate the rates for payment hereunder, in which event new rates shall be established;

8.2 Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

9. Maintenance of Records: In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:

9.1 Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

9.2 Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

9.3 Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

10. Audit: Contractor shall submit an annual audit to the Department within 60 days after the close of the Contractor fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

10.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.

10.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

11. Confidentiality of Records: All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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

12. Reports: Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.

12.1 Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.

12.2 Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

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

14. Credits: All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:

14.1 The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

15. Prior Approval and Copyright Ownership:

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

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

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

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

- Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function

- Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate

Page ____ of ____

- Monitor the subcontractor's performance on an ongoing basis
- Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- DHHS shall review and approve all subcontracts.

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

SPECIAL PROVISIONS – DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

NH Department of Health and Human Services

STANDARD EXHIBIT D

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

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

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

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

200 Zachary Rd. Manchester, NH 03103; 555 Auburn St Manchester, NH 03103

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

Easter Seals New Hampshire, Inc

From: 7/1/2013 To: 6/30/2015

(Contractor Name)

(Period Covered by this Certification)

Elin Treanor, CFO/COO

(Name & Title of Authorized Contractor Representative)



(Contractor Representative Signature)

3/11/2013

(Date)

Contractor Initials: ET

Date: 3/11/2013

NH Department of Health and Human Services

STANDARD EXHIBIT E

CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

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

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

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

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



(Contractor Representative Signature)

Elin Treanor, CFO/COO

(Authorized Contractor Representative Name & Title)

Easter Seals New Hampshire, Inc

(Contractor Name)

3/11/2013

(Date)

Contractor Initials: 

Date: 3/11/2013

NH Department of Health and Human Services

STANDARD EXHIBIT F

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

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

INSTRUCTIONS FOR CERTIFICATION

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

Contractor Initials: ET

Date: 3/11/2013

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

PRIMARY COVERED TRANSACTIONS

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

Contractor Initials: ET

Date: 3/15/2013

LOWER TIER COVERED TRANSACTIONS

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

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

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



(Contractor Representative Signature)

Elin Treanor, CFO/COO

(Authorized Contractor Representative Name & Title)

Easter Seals New Hampshire, Inc

(Contractor Name)

3/15/2013

(Date)

Contractor Initials: ET

Date: 3/15/2013

NH Department of Health and Human Services

STANDARD EXHIBIT G

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

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

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



(Contractor Representative Signature)

Elin Treanor, CFO/COO

(Authorized Contractor Representative Name & Title)

Easter Seals New Hampshire, Inc

(Contractor Name)

3/15/2013

(Date)

Contractor Initials: 

Date: 3/15/2013

NH Department of Health and Human Services

STANDARD EXHIBIT H

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Elin Treanor

(Contractor Representative Signature)

Elin Treanor, CFO/COO

(Authorized Contractor Representative Name & Title)

Easter, Seabrook, NH, Inc

(Contractor Name)

3/15/2013

(Date)

NH Department of Health and Human Services

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

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

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

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

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

(2) Use and Disclosure of Protected Health Information.

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

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

(3) Obligations and Activities of Business Associate.

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

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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

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

NHDMHS, DCYF
The State Agency Name

Easter Seals New Hampshire, Inc
Name of the Contractor

Maggie Bishop (RSS)
Signature of Authorized Representative

Elin Treanor
Signature of Authorized Representative

Maggie Bishop
Name of Authorized Representative

Elin Treanor
Name of Authorized Representative

Director
Title of Authorized Representative

CFO/COO
Title of Authorized Representative

03/15/2013
Date

3/15/2013
Date

NH Department of Health and Human Services

STANDARD EXHIBIT J

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

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

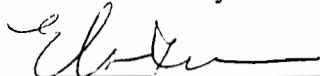
In accordance with 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

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

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

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



Elin Treanor, CFO/COO

(Contractor Representative Signature)

(Authorized Contractor Representative Name & Title)

Easter Seals New Hampshire, Inc

(Contractor Name)

(Date)

Contractor initials: ET

Date: 3/17/03

Page # _____ of Page # _____

NH Department of Health and Human Services

STANDARD EXHIBIT J

FORM A

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

1. The DUNS number for your entity is: 08-557-3467

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

NO YES

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

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

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

NO YES

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

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

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

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

Contractor initials: EF
Date: 3/15/09
Page # _____ of Page # _____

CERTIFICATE OF VOTE
(Corporation without Seal)

I, BETTY BURKE, do hereby certify that:
(Name of Clerk of the Corporation; cannot be contract signatory)

1. I am a duly elected Clerk of EASTER SEALS NH, INC.
(Corporation Name)

2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on MARCH 28, 2013:
(Date)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, _____, for the provision of

AFTER HOURS INFORMATION & REFERRAL services.

RESOLVED: That the CHIEF FINANCIAL OFFICER
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 15th day of MARCH, 20____.
(Date Contract Signed)

4. ELIN TREANOR is the duly elected CHIEF FINANCIAL OFFICER
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.

Betty Burke
(Signature of Clerk of the Corporation)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 15th day of March, 2013.

By Betty Burke
(Name of Clerk of the Corporation)

Diane L Boulay
(Notary Public/Justice of the Peace)

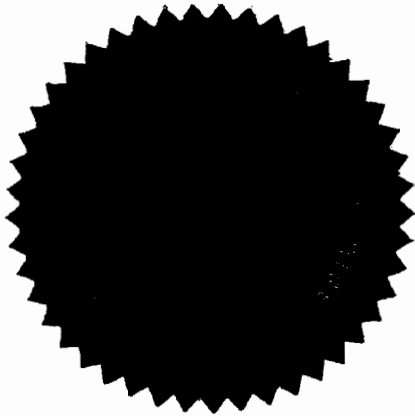
(NOTARY SEAL)

Commission Expires DIANE L BOULAY Notary Public
My Commission Expires September 3, 2013

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 Easter Seals New Hampshire, Inc. is a New Hampshire nonprofit corporation formed November 6, 1967. 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 25th day of January A.D. 2013

Handwritten signature of William M. Gardner in cursive script.

William M. Gardner
Secretary of State

**Easter Seals New Hampshire, Inc.
and Subsidiaries**

Consolidated Financial Statements and
Other Financial Information

*Years Ended August 31, 2012 and 2011
With Independent Auditors' Report*

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION**

For the Years Ended August 31, 2012 and 2011

CONTENTS

Independent Auditors' Report	1
Audited Consolidated Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities and Changes in Net Assets	4
Consolidated Statements of Functional Expenses	8
Consolidated Statements of Cash Flows	10
Notes to Consolidated Financial Statements	12
Other Financial Information:	
Consolidating Statements of Financial Position	36
Consolidating Statements of Activities and Changes in Net Assets	40
Consolidating Statements of Functional Expenses	44

BAKER NEWMAN NOYES

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Easter Seals New Hampshire, Inc. and Subsidiaries

We have audited the accompanying consolidated statements of financial position of Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH) as of August 31, 2012 and 2011, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These consolidated financial statements are the responsibility of Easter Seals NH's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Easter Seals NH's internal control over financial reporting. Accordingly, we express no such opinion. 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 consolidated financial position of Easter Seals New Hampshire, Inc. and Subsidiaries as of August 31, 2012 and 2011, and the consolidated changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2012 on our consideration of Easter Seals New Hampshire, Inc. and Subsidiaries' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* and should be considered in assessing the results of our audit.

The Board of Directors
Easter Seals New Hampshire, Inc. and Subsidiaries

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information identified in the contents is presented for purposes of additional analysis, rather than to present the financial position and changes in net assets of the individual entities, and is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Manchester, New Hampshire
December 12, 2012

Baker *Nauman* & *Noyes*
Limited Liability Company

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

August 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 4,402,187	\$ 5,017,529
Accounts receivable from affiliates	441,980	223,162
Program and other accounts receivable, less contractual allowance of \$131,500 in 2012 and \$219,900 in 2011, and allowance for doubtful accounts of \$395,000 in 2012 and \$1,041,500 in 2011	9,321,570	10,226,883
Contributions receivable, less allowance for doubtful accounts of \$25,000 in 2012 and \$25,600 in 2011	491,729	319,711
Current portion of assets limited as to use	458,005	842,144
Prepaid expenses and other current assets	<u>1,304,173</u>	<u>1,074,366</u>
Total current assets	16,419,644	17,703,795
Assets limited as to use, net of current portion	5,017,773	5,799,466
Fixed assets, net	25,132,481	25,368,864
Property held for sale	910,171	505,256
Bond issuance costs, net	254,390	290,808
Investments, at fair value	13,005,757	11,811,775
Beneficial interest in trusts held by others and other assets	<u>6,620,011</u>	<u>5,252,717</u>
	<u>\$67,360,227</u>	<u>\$66,732,681</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Lines of credit	\$ 1,982,604	\$ 648,463
Accounts payable	2,630,935	3,613,387
Accrued expenses	4,362,192	3,731,257
Accounts payable to affiliates	-	314,557
Rate reserves	435,008	1,091,579
Current portion of deferred revenue	1,757,283	1,374,854
Current portion of interest rate swap agreements	734,470	726,083
Current portion of long-term debt	<u>746,716</u>	<u>774,891</u>
Total current liabilities	12,649,208	12,275,071
Deferred revenue, net of current portion	3,778,487	3,867,560
Other liabilities	1,168,659	1,151,944
Interest rate swap agreements, less current portion	4,401,508	3,315,362
Long-term debt, less current portion	<u>22,923,934</u>	<u>24,530,741</u>
Total liabilities	44,921,796	45,140,678
Net assets:		
Unrestricted	11,937,759	11,503,651
Temporarily restricted	598,750	594,327
Permanently restricted	<u>9,901,922</u>	<u>9,494,025</u>
Total net assets	<u>22,438,431</u>	<u>21,592,003</u>
	<u>\$67,360,227</u>	<u>\$66,732,681</u>

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended August 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue:				
Public support:				
Contributions	\$ 1,529,794	\$ 370,723	\$ 62,323	\$ 1,962,840
Special events, net of related direct costs of \$618,599	1,114,326	71,451	-	1,185,777
Annual campaigns, net of related direct costs of \$79,441	445,604	32,367	-	477,971
Bequests	127,761	-	-	127,761
Net assets released from restrictions	<u>482,671</u>	<u>(482,671)</u>	<u>-</u>	<u>-</u>
Total public support	3,700,156	(8,130)	62,323	3,754,349
Revenue:				
Fees and grants from governmental agencies	64,356,494	-	-	64,356,494
Other fees and grants	26,783,639	-	-	26,783,639
Sales to public	4,057,412	-	-	4,057,412
Dividend and interest income	680,465	3,635	-	684,100
Rental income	140,373	-	-	140,373
Other	<u>642,262</u>	<u>-</u>	<u>-</u>	<u>642,262</u>
Total revenue	<u>96,660,645</u>	<u>3,635</u>	<u>-</u>	<u>96,664,280</u>
Total public support and revenue	100,360,801	(4,495)	62,323	100,418,629
Operating expenses:				
Program services:				
Public health education	595,634	-	-	595,634
Professional education	22,251	-	-	22,251
Direct services	<u>88,415,347</u>	<u>-</u>	<u>-</u>	<u>88,415,347</u>
Total program services	89,033,232	-	-	89,033,232
Supporting services:				
Management and general	8,700,472	-	-	8,700,472
Fundraising	<u>1,882,355</u>	<u>-</u>	<u>-</u>	<u>1,882,355</u>
Total supporting services	<u>10,582,827</u>	<u>-</u>	<u>-</u>	<u>10,582,827</u>
Total functional expenses	99,616,059	-	-	99,616,059
Support of National programs	<u>134,887</u>	<u>-</u>	<u>-</u>	<u>134,887</u>
Total operating expenses	<u>99,750,946</u>	<u>-</u>	<u>-</u>	<u>99,750,946</u>
Increase (decrease) in net assets from operations	609,855	(4,495)	62,323	667,683

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

Year Ended August 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Other nonoperating expenses, gains and losses:				
Change in fair value of interest rate swaps	\$ (1,262,396)	\$ -	\$ -	\$ (1,262,396)
Net unrealized and realized gains on investments	562,646	6,681	-	569,327
Increase in fair value of beneficial interest in trusts held by others	-	-	345,574	345,574
Gain on sales and disposals of property, plant and equipment	<u>4,442</u>	<u>-</u>	<u>-</u>	<u>4,442</u>
	<u>(695,308)</u>	<u>6,681</u>	<u>345,574</u>	<u>(343,053)</u>
 (Decrease) increase in net assets before effects of discontinued operations	 (85,453)	 2,186	 407,897	 324,630
 Gain from discontinued operations	 <u>519,561</u>	 <u>2,237</u>	 <u>-</u>	 <u>521,798</u>
 Total increase in net assets	 434,108	 4,423	 407,897	 846,428
 Net assets at beginning of year	 <u>11,503,651</u>	 <u>594,327</u>	 <u>9,494,025</u>	 <u>21,592,003</u>
 Net assets at end of year	 <u>\$ 11,937,759</u>	 <u>\$ 598,750</u>	 <u>\$9,901,922</u>	 <u>\$ 22,438,431</u>

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended August 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue:				
Public support:				
Contributions	\$ 963,732	\$ 455,661	\$ 22,145	\$ 1,441,538
Special events, net of related direct costs of \$481,329	1,105,477	81,197	-	1,186,674
Annual campaigns, net of related direct costs of \$69,773	477,678	52,524	-	530,202
Bequests	73,533	-	-	73,533
Net assets released from restrictions	<u>1,113,409</u>	<u>(1,113,409)</u>	<u>-</u>	<u>-</u>
Total public support	3,733,829	(524,027)	22,145	3,231,947
Revenue:				
Fees and grants from governmental agencies	56,865,518	-	-	56,865,518
Other fees and grants	29,698,053	-	-	29,698,053
Start-up programs	161,178	-	-	161,178
Sales to public	3,610,166	-	-	3,610,166
Dividend and interest income	620,764	2,157	-	622,921
Rental income	141,855	-	-	141,855
Other	<u>542,808</u>	<u>-</u>	<u>-</u>	<u>542,808</u>
Total revenue	<u>91,640,342</u>	<u>2,157</u>	<u>-</u>	<u>91,642,499</u>
Total public support and revenue	95,374,171	(521,870)	22,145	94,874,446
Operating expenses:				
Program services:				
Public health education	622,395	-	-	622,395
Professional education	22,136	-	-	22,136
Program start-up	595,904	-	-	595,904
Direct services	<u>82,245,658</u>	<u>-</u>	<u>-</u>	<u>82,245,658</u>
Total program services	83,486,093	-	-	83,486,093
Supporting services:				
Management and general	8,586,344	-	-	8,586,344
Fundraising	<u>1,853,986</u>	<u>-</u>	<u>-</u>	<u>1,853,986</u>
Total supporting services	<u>10,440,330</u>	<u>-</u>	<u>-</u>	<u>10,440,330</u>
Total functional expenses	93,926,423	-	-	93,926,423
Support of National programs	<u>123,151</u>	<u>-</u>	<u>-</u>	<u>123,151</u>
Total operating expenses	<u>94,049,574</u>	<u>-</u>	<u>-</u>	<u>94,049,574</u>
Increase (decrease) in net assets from operations	1,324,597	(521,870)	22,145	824,872

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

Year Ended August 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Other nonoperating expenses, gains and losses:				
Change in fair value of interest rate swaps	\$ (693,108)	\$ -	\$ -	\$ (693,108)
Net unrealized and realized gains on investments	386,226	556,612	-	942,838
Increase in fair value of beneficial interest in trusts held by others	-	-	292,764	292,764
Gain on sales and disposals of property, plant and equipment	<u>200,277</u>	<u>-</u>	<u>-</u>	<u>200,277</u>
	<u>(106,605)</u>	<u>556,612</u>	<u>292,764</u>	<u>742,771</u>
Increase in net assets before effects of discontinued operations	1,217,992	34,742	314,909	1,567,643
Loss from discontinued operations	<u>(699,038)</u>	<u>1,795</u>	<u>-</u>	<u>(697,243)</u>
Total increase in net assets	518,954	36,537	314,909	870,400
Net assets at beginning of year	<u>10,984,697</u>	<u>557,790</u>	<u>9,179,116</u>	<u>20,721,603</u>
Net assets at end of year	<u>\$ 11,503,651</u>	<u>\$ 594,327</u>	<u>\$ 9,494,025</u>	<u>\$ 21,592,003</u>

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2012

	Program Services ⁽¹⁾			Supporting Services ⁽¹⁾			Total Program ⁽¹⁾ and Supporting Services Expenses	
	Public Health Education	Profes- sional Education	Direct Services Total	Manage- ment and General	Fund- Raising Total		2012	2011
410,255	\$ —	\$66,615,399	\$67,025,654	\$5,325,167	\$1,484,914	\$ 6,810,081	\$73,835,735	\$68,238,467
28,453	—	7,912,975	7,941,428	1,805,957	147,870	1,953,827	9,895,255	10,326,930
19,338	—	2,644,802	2,664,140	75,986	28,736	104,722	2,768,862	2,664,523
4,481	—	555,203	559,684	279,767	17,335	297,102	856,786	780,913
8,989	—	61,909	70,898	57,279	7,557	64,836	135,734	151,684
13,215	—	3,673,690	3,686,905	351,611	74,429	426,040	4,112,945	3,841,843
30,200	—	48,232	78,432	8,812	33,907	42,719	121,151	160,075
12,938	—	2,609,811	2,622,749	41,212	42,002	83,214	2,705,963	2,539,798
43,700	22,251	240,350	306,301	57,522	31,564	89,086	395,387	544,211
159	—	905,881	906,040	7,200	971	8,171	914,211	945,800
1,043	—	29,604	30,647	9,711	5,024	14,735	45,382	32,917
5,237	—	288,348	293,585	398,836	3,016	401,852	695,437	624,632
17,164	—	186,451	203,615	(147,690)	1,135	(146,555)	57,060	146,005
—	—	993,214	993,214	230,351	—	230,351	1,223,565	968,663
—	—	44,571	44,571	—	1,773	1,773	46,344	320,170
462	—	1,604,907	1,605,369	198,751	2,122	200,873	1,806,242	1,639,792
<u>595,634</u>	<u>\$22,251</u>	<u>\$88,415,347</u>	<u>\$89,033,232</u>	<u>\$8,700,472</u>	<u>\$1,882,355</u>	<u>\$10,582,827</u>	<u>\$99,616,059</u>	<u>\$93,926,423</u>
0.60%	0.02%	88.76%	89.38%	8.73%	1.89%	10.62%	100.00%	100.00%

discontinued operations – see note 13.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2011

Program Services ⁽²⁾				Supporting Services ⁽²⁾			Total Program ⁽²⁾ and Supporting Services Expenses
Public Health Education	Profes- sional Education	Direct Services ⁽¹⁾	Total	Manage- ment and General	Fund- Raising	Total	
\$372,229	\$ —	\$61,537,327	\$61,909,556	\$4,931,782	\$1,397,129	\$ 6,328,911	\$68,238,467
74,182	—	8,096,596	8,170,778	2,036,263	119,889	2,156,152	10,326,930
18,991	—	2,547,508	2,566,499	72,394	25,630	98,024	2,664,523
4,534	—	525,740	530,274	234,923	15,716	250,639	780,913
9,392	—	66,348	75,740	58,662	17,282	75,944	151,684
13,863	—	3,406,398	3,420,261	332,807	88,775	421,582	3,841,843
33,078	—	71,082	104,160	12,126	43,789	55,915	160,075
16,463	—	2,425,088	2,441,551	46,914	51,333	98,247	2,539,798
56,100	22,136	330,725	408,961	83,336	51,914	135,250	544,211
—	—	939,437	939,437	6,363	—	6,363	945,800
203	—	20,309	20,512	8,290	4,115	12,405	32,917
3,055	—	371,333	374,388	243,127	7,117	250,244	624,632
17,765	—	115,084	132,849	11,537	1,619	13,156	146,005
—	—	770,298	770,298	198,365	—	198,365	968,663
2,100	—	289,968	292,068	—	28,102	28,102	320,170
440	—	1,328,321	1,328,761	309,455	1,576	311,031	1,639,792
<u>\$622,395</u>	<u>\$22,136</u>	<u>\$82,841,562</u>	<u>\$83,486,093</u>	<u>\$8,586,344</u>	<u>\$1,853,986</u>	<u>\$10,440,330</u>	<u>\$93,926,423</u>
0.66%	0.02%	88.20%	88.88%	9.15%	1.97%	11.12%	100.00%

ises.
scontinued operations – see note 13.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended August 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Increase in net assets	\$ 846,428	\$ 870,400
Adjustments to reconcile increase in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	1,897,233	1,827,293
Bad debt provision	46,344	404,756
Increase in beneficial interest in trusts held by others	(345,574)	(292,764)
Gain on sales and disposals of property, plant and equipment and property held for sale	(2,024,351)	(135,268)
Change in fair value of interest rate swaps	1,254,211	678,470
Net unrealized and realized gains on investments	(569,327)	(943,568)
Changes in operating assets and liabilities:		
Accounts receivable from affiliates	(218,818)	319,917
Program and other accounts receivable	858,969	675,629
Contributions receivable	(172,018)	(64,208)
Prepaid expenses and other current assets	(203,018)	(207,610)
Other assets	(723,547)	-
Accounts payable and accrued expenses	(405,642)	942,895
Accounts payable to affiliates	(314,557)	314,557
Rate reserve	(656,571)	207,970
Deferred revenue	(938,226)	(1,132,800)
Other liabilities	<u>16,715</u>	<u>238,967</u>
Net cash (used) provided by operating activities	(1,651,749)	3,704,636
Cash flows from investing activities:		
Purchases of property, plant and equipment	(1,794,331)	(5,668,528)
Proceeds from sale of property, plant and equipment and property held for sale	3,034,938	1,280,638
Cash provided by acquisition	227,830	-
Increase in investments, net	(624,655)	(1,049,731)
Change in assets limited as to use	<u>1,165,832</u>	<u>(900,963)</u>
Net cash provided (used) in investing activities	2,009,614	(6,338,584)
Cash flows from financing activities:		
Repayment of long-term debt	(2,508,652)	(1,606,999)
Issuance of long-term debt	360,982	5,391,471
Payment for termination of interest rate swap	(159,678)	-
Repayments on lines of credit	(26,040,436)	(17,928,961)
Borrowings on lines of credit	27,374,577	17,987,920
Bond issuance costs	<u>-</u>	<u>(196,969)</u>
Net cash (used) provided by financing activities	<u>(973,207)</u>	<u>3,646,462</u>
(Decrease) increase in cash and cash equivalents	(615,342)	1,012,514
Cash and cash equivalents, beginning of year	<u>5,017,529</u>	<u>4,005,015</u>
Cash and cash equivalents, end of year	<u>\$ 4,402,187</u>	<u>\$ 5,017,529</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

August 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Supplemental disclosure of cash flow information:		
Interest paid, net of capitalized interest of approximately \$104,000 in 2011 (none in 2012)	\$ <u>1,225,000</u>	\$ <u>1,068,000</u>

During 2012 and 2011, Easter Seals NH transferred property with a net carrying value of \$1,513,272 and \$50,883, respectively, from fixed assets to property held for sale. Additionally, Easter Seals NH sold property held for sale with a net carrying value of \$1,108,357 in 2012 (see note 13). During 2012, Easter Seals NH received a donated building with an estimated fair value of \$1,100,000, which has been recorded as deferred revenue (see note 5). See also acquisition described in note 12.

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

1. Corporate Organization and Purpose

Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH) consists of eleven separate nonprofit entities: Easter Seals New Hampshire, Inc. (parent and service corporation); Easter Seals New York, Inc. (Easter Seals NY); Easter Seals Maine, Inc. (Easter Seals ME); Easter Seals Rhode Island, Inc. (Easter Seals RI); Agency Realty, Inc. (real estate corporation); The Harbor Schools Incorporated (Harbor Schools); Manchester Alcoholism Rehabilitation Center; Special Transit Service, Inc. (transportation corporation); Webster Place, Inc. (Webster Place), which was acquired in 2012 – see note 12; Easter Seals Connecticut, Inc. (Easter Seals CT); and Easter Seals Vermont, Inc. (Easter Seals VT). Easter Seals New Hampshire, Inc. is the sole member of each subsidiary. Easter Seals NH is affiliated with Easter Seals, Inc. (the national headquarters for the organization).

On January 25, 2012, the Board of Directors of Easter Seals New Hampshire, Inc. voted to close Harbor Schools and cease all operations of this subsidiary, and also voted to approve discontinuing the group home and special education programs in Rutland, Vermont (see note 13).

Easter Seals NH's purpose is to provide (1) programs and services for people with disabilities and other special needs, (2) assistance to people with disabilities and their families, (3) assistance to communities in identifying and developing needed services for residents, and (4) a climate of acceptance for people with disabilities and other special needs which will enable them to contribute to the well-being of the community. Easter Seals NH operates programs throughout New Hampshire, New York, Maine, Massachusetts (prior to the closure of Harbor Schools), Rhode Island, Vermont and Connecticut.

Prior to April 26, 2011, Fernclif Housing Development Fund Company, Inc. (Fernclif) was an entity affiliated with Easter Seals NY; however, the accounts of Fernclif are not included in the accompanying consolidated financial statements as Fernclif has separate reporting requirements to various federal and state agencies, and is required to maintain its separate accounts. Effective April 26, 2011, the Board of Directors of Easter Seals NY resolved to transfer, for no consideration, all membership interests in Fernclif to an unrelated not-for-profit organization.

In December 2010, Easter Seals NY issued the Series 2010 Bonds described in note 8 to finance the acquisition of certain property located in Irondequoit, New York, provide for improvements to a school building and an existing rehabilitation facility, and construct two residential rehabilitation facilities. The start-up programs at this location began operations in August of 2011, and start-up program revenues and operating expenses approximated \$161,000 and \$596,000, respectively, for the year ended August 31, 2011. Easter Seals NY ceased classifying revenues and operating expenses relating to these programs as start-up revenues and expenses on August 31, 2011. Revenues and operating expenses relating to these programs after August 31, 2011 have been included within other revenue and operating expense classifications on the accompanying consolidated statement of activities and changes in net assets for the year ended August 31, 2012, and approximated \$5,372,000 and \$5,027,000, respectively.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Easter Seals New Hampshire, Inc. and the subsidiaries of which it is the sole member. Significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Easter Seals NH considers all highly liquid securities purchased with an original maturity of 90 days or less to be cash equivalents. Cash equivalents consist of cash, overnight repurchase agreements and money market funds, excluding assets limited as to use.

Management has implemented a practice to establish cash reserves on hand. Approximately \$2,277,000 and \$2,152,000 of cash and cash equivalents, and approximately \$2,070,000 and \$1,689,000 of investments were on-hand under this practice as of August 31, 2012 and 2011, respectively.

Assets Limited as to Use and Investments

Assets limited as to use consists of cash and cash equivalents, short-term certificates of deposit with original maturities greater than 90 days, but less than one year, and investments. Investments are stated at fair value. Realized gains and losses on investments are computed on a specific identification basis. The changes in net unrealized and realized gains and losses on investments are recorded in other nonoperating expenses, gains and losses in the accompanying consolidated statements of activities and changes in net assets. Donated securities are stated at fair value determined at the date of donation.

Beneficial Interest in Trusts

Easter Seals NH is the beneficiary of several trusts held by others. Easter Seals NH has recorded as an asset the fair value of its interest in the trusts and such amount is included in permanently restricted net assets, based on the underlying donor stipulations. The change in the interest due to fair value change is recorded within other nonoperating expenses, gains and losses as permanently restricted activity.

Fixed Assets

Fixed assets are recorded at cost less accumulated depreciation and amortization. Expenditures for maintenance and repairs are charged to expense as incurred, and expenditures for major renovations are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the underlying assets.

Fixed assets obtained by Easter Seals NH as a result of acquisitions on or after September 1, 2011 are recorded at estimated fair value as of the date of the acquisition in accordance with generally accepted accounting principles guidance for acquisitions by a not-for-profit entity.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

2. Summary of Significant Accounting Policies (Continued)

Donated property and equipment not subject to donor stipulated conditions is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support or, if significant uncertainties exist, as deferred revenue pending resolution of the uncertainties. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. See also note 5.

Property held for sale is recorded at the lower of net realizable value or carrying value.

Intangible Assets and Long-Lived Assets

Accounting rules require that intangible assets with estimable or determinable useful lives be amortized over their respective estimated useful lives to their estimated residual values, and be reviewed by management for impairment. Based on management's assessments, there is no impairment of intangible assets at August 31, 2012. Intangible assets at August 31, 2012 consist of a patient list obtained in the acquisition of Webster Place (see note 12).

Expected amortization of intangible assets through the end of their useful lives is as follows:

2013	\$ 33,130
2014	33,130
2015	33,130
2016	33,130
2017	33,130
Thereafter	<u>132,523</u>
	<u>\$298,173</u>

When there is an indication of impairment, management considers whether long-lived assets are impaired by comparing gross future undiscounted cash flows expected to be generated from utilizing the assets to their carrying amounts. If cash flows are not sufficient to recover the carrying amount of the assets, an impairment has occurred and the assets are written down to their fair value. Significant estimates and assumptions are required to be made by management in order to evaluate possible impairment.

Based on current facts, estimates and assumptions, management believes that no long-lived assets were impaired at August 31, 2012 and 2011.

Bond Issuance Costs

Bond issuance costs are being amortized by the straight-line method over the repayment period of the related bonds, or the expected time until the next refinancing, whichever is shorter. Amortization expense recognized during 2012 and 2011 was \$36,418 and \$14,009, respectively.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Revenue generated from services provided to the public is reported at the estimated net realizable amounts from clients, third-party payors and others based upon approved rates as services are rendered. A significant portion of Easter Seals NH's revenues are derived through arrangements with third-party payors. As such, Easter Seals NH is dependent on these payors in order to carry out its operating activities. There is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in other fees and grants in the year that such amounts become known. Easter Seals NH has established rate reserves of \$435,008 and \$1,091,579 at August 31, 2012 and 2011, respectively, for differences between rates previously estimated and amounts which will be either recoverable or payable to third-party payors based upon actual rates approved by third-parties. The differences between amounts previously estimated and amounts subsequently determined to be recoverable from third-party payors did not significantly affect revenue in 2012 or 2011.

Revenues are recognized as earned, or attributable to the period in which specific terms of the funding agreement are satisfied, and to the extent that expenses have been incurred for the purposes specified by the funding source. Revenue balances in excess of the foregoing amounts are accounted for as deferred revenue until any restrictions are met or allowable expenditures are incurred.

The allowance for doubtful accounts is provided based on an analysis by management of the collectibility of outstanding balances. Management considers the age of outstanding balances and past collection efforts in determining the allowance for doubtful accounts. Accounts are charged against the allowance for doubtful accounts when deemed uncollectible.

Unconditional contributions are recognized when pledged.

Advertising

Easter Seals NH's policy is to expense advertising costs as incurred.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services based mainly on time records and estimates made by Easter Seals NH's management.

Charity Care (Unaudited)

Easter Seals NH has a formal charity care policy under which program fees are subsidized as determined by the Board of Directors. Free and subsidized services are rendered in accordance with decisions made by the Board of Directors and, at established charges, amounted to approximately \$5,979,000 and \$6,445,000 for the years ended August 31, 2012 and 2011, respectively.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

2. Summary of Significant Accounting Policies (Continued)

Income Taxes

Easter Seals New Hampshire, Inc., Easter Seals NY, Easter Seals ME, Easter Seals VT, Easter Seals Rhode Island, Harbor Schools, Webster Place, Manchester Alcoholism Rehabilitation Center, Easter Seals CT and Special Transit Services, Inc. are exempt from both federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and, for Easter Seals NY of the Not-for-Profit Corporation Law of the State of New York. Agency Realty, Inc. received a determination letter from the Internal Revenue Service stating that it qualifies for tax-exempt status under Section 501(c)(2) of the Internal Revenue Code.

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position historically taken on various tax exposure items including unrelated business income or tax status. In accordance with accounting principles generally accepted in the United States of America, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold, based upon the technical merits of the position.

Management has evaluated tax positions taken by Easter Seals New Hampshire, Inc. and its subsidiaries on their respective filed tax returns and concluded that the organizations have maintained their tax-exempt status, do not have any significant unrelated business income, and have taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements. Easter Seals New Hampshire, Inc. and its subsidiaries are no longer subject to income tax examinations by the federal or state tax authorities for years prior to 2009.

Use of Estimates

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

Derivatives and Hedging Activities

Accounting guidance requires that Easter Seals NH record as an asset or liability the fair value of the interest rate swap agreements described in note 8. Easter Seals NH is exposed to repayment loss equal to the net amounts receivable under the swap agreements (not the notional amount) in the event of nonperformance of the other party to the swap agreements. However, Easter Seals NH does not anticipate nonperformance and does not obtain collateral from the other party.

As of August 31, 2012 and 2011, Easter Seals NH had recognized a liability of \$5,135,978 and \$4,041,445, respectively, as a result of the interest rate swap agreements discussed in note 8. As a result of changes in the fair value of these derivative financial instruments and excluding a termination payment related to one swap agreement of \$159,678 in 2012 (see note 8), Easter Seals NH recognized a decrease in net assets of \$1,254,211 and \$678,470 (including increases in net assets of \$8,185 and \$14,638, respectively, included in discontinued operations) related to swap agreements for the years ended August 31, 2012 and 2011, respectively.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

2. Summary of Significant Accounting Policies (Continued)

Increase (Decrease) in Net Assets from Operations

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of services are reported as revenue and expenses that comprise the increase (decrease) in net assets from operations. The primary transactions reported as other nonoperating expenses, gains and losses include the adjustment to fair value of interest rate swaps, the increase in the fair value of beneficial interest in trusts held by others, gains and losses on sales and disposals of property, plant and equipment, and net realized and unrealized gains and losses on investments.

Reclassifications

Certain amounts in the 2011 consolidated financial statements have been reclassified to conform to the 2012 presentation.

Subsequent Events

Events occurring after the statement of financial position date are evaluated by management to determine whether such events should be recognized or disclosed in the consolidated financial statements. Management has evaluated events occurring between the end of Easter Seals NH's fiscal year end and December 12, 2012, the date these consolidated financial statements were available to be issued.

Recently Issued Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board issued Accounting Standards Update 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs* (ASU 2011-04). ASU 2011-04 amended Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, to converge the fair value measurement guidance in U.S. generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures, although certain of these new disclosures will not be required for nonpublic entities. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. The management of Easter Seals NH is currently evaluating the effect, if any, that the provisions of ASU 2011-04 will have on Easter Seals NH's financial statements.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

3. Classification of Net Assets

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), net assets are classified and reported based on the existence or absence of donor-imposed restrictions. Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. Temporarily restricted net assets are those whose use by Easter Seals NH has been limited by donors to a specific time period or purpose. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. Permanently restricted net assets have been restricted by donors to be maintained by Easter Seals NH in perpetuity, the income from which is expendable to support all activities of the organization, or as stipulated by the donor.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

In accordance with UPMIFA, Easter Seals NH considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

Endowment Net Asset Composition by Type of Fund

The major categories of endowment funds at August 31, 2012 and 2011 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>2012</u>				
Camping program	\$ -	\$ 1,698	\$ 362,869	\$ 364,567
Other programs	-	14,345	327,555	341,900
Operations	<u>-</u>	<u>-</u>	<u>3,613,207</u>	<u>3,613,207</u>
Total endowment net assets	<u>\$ -</u>	<u>\$16,043</u>	<u>\$4,303,631</u>	<u>\$4,319,674</u>
<u>2011</u>				
Camping program	\$ -	\$ 1,221	\$ 362,869	\$ 364,090
Other programs	-	13,564	265,232	278,796
Operations	<u>-</u>	<u>-</u>	<u>3,613,207</u>	<u>3,613,207</u>
Total endowment net assets	<u>\$ -</u>	<u>\$14,785</u>	<u>\$4,241,308</u>	<u>\$4,256,093</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

3. Classification of Net Assets (Continued)

Changes in Endowment Net Assets

During the years ended August 31, 2012 and 2011, Easter Seals NH had the following endowment-related activities:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net endowment assets, August 31, 2010	\$(28,530)	\$ 49,480	\$4,219,163	\$4,240,113
Investment return:				
Investment income, net of fees	-	160,155	-	160,155
Net appreciation (realized and unrealized)	28,530	388,520	-	417,050
Contributions	-	-	22,145	22,145
Appropriated for expenditure	<u>-</u>	<u>(583,370)</u>	<u>-</u>	<u>(583,370)</u>
Net endowment assets, August 31, 2011	-	14,785	4,241,308	4,256,093
Investment return:				
Investment income, net of fees	-	54,655	-	54,655
Net appreciation (realized and unrealized)	-	523,768	-	523,768
Contributions	-	-	62,323	62,323
Appropriated for expenditure	<u>-</u>	<u>(577,165)</u>	<u>-</u>	<u>(577,165)</u>
Net endowment assets, August 31, 2012	<u>\$ -</u>	<u>\$ 16,043</u>	<u>\$4,303,631</u>	<u>\$4,319,674</u>

In addition to endowment net assets, Easter Seals NH also maintains non-endowed funds. The major categories of non-endowment funds, at August 31, 2012 and 2011 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Non- Endowment Net Assets</u>
<u>2012</u>				
Seniors program	\$ 106,866	\$ 16,386	\$ -	\$ 123,252
Veterans program	-	353,044	-	353,044
India initiative	-	51,900	-	51,900
Other programs	35,199	128,877	-	164,076
Operations	<u>11,795,694</u>	<u>32,500</u>	<u>5,598,291</u>	<u>17,426,485</u>
Total non-endowment net assets	<u>\$11,937,759</u>	<u>\$582,707</u>	<u>\$5,598,291</u>	<u>\$18,118,757</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

3. Classification of Net Assets (Continued)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Non- Endowment Net Assets</u>
<u>2011</u>				
Seniors program	\$ 109,971	\$ 21,024	\$ -	\$ 130,995
Veterans program	-	307,977	-	307,977
India initiative	-	86,356	-	86,356
Other programs	20,445	131,685	-	152,130
Operations	<u>11,373,235</u>	<u>32,500</u>	<u>5,252,717</u>	<u>16,658,452</u>
Total non-endowment net assets	<u>\$11,503,651</u>	<u>\$579,542</u>	<u>\$5,252,717</u>	<u>\$17,335,910</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Easter Seals NH to retain as a fund of permanent duration. Deficiencies of this nature are reported in unrestricted net assets. There were no deficiencies between the fair value of the investments of the endowment funds and the level required by donor stipulation at August 31, 2012 or 2011.

Investment and Spending Policies

Easter Seals NH has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Easter Seals NH must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of an appropriate market index while assuming a moderate level of investment risk. Easter Seals NH expects its endowment funds to provide an average rate of return over a five year period equal to the rate of inflation plus 5%. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, Easter Seals NH relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Easter Seals NH targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Easter Seals NH may appropriate for distribution some or all of the earnings and appreciation on its endowment for funding of operations. In establishing this policy, Easter Seals NH considered the objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to, so long as it would not detract from Easter Seals NH's critical goals and initiatives, provide additional real growth through new gifts and investment return.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

4. Leases

Easter Seals NH leases certain assets under various arrangements which have been classified as operating leases. Total expense under all leases (including month-to-month leases) was approximately \$2,101,000 and \$1,930,000 for the years ended August 31, 2012 and 2011, respectively. Some of these leases have terms which include renewal options, and other may be terminated at Easter Seals NH's option without substantial penalty. Future minimum payments required under the leases in effect at August 31, 2012 and 2011, through the remaining contractual term of the underlying lease agreements, are as follows:

Year Ended August 31:

2013	\$1,737,897
2014	1,203,282
2015	435,909
2016	229,489
2017	89,603

Easter Seals NY leases certain facilities for school operations from unrelated parties at lease terms that are either below fair market value, or that are almost entirely rent-free. Under accounting principles generally accepted in the United States of America, lease agreements must be evaluated based upon their economic substance rather than legal form, and a lease subsidy would be recorded as both contribution and rental expense. However, Easter Seals NH has determined that such amounts would not be material to the accompanying consolidated financial statements.

Easter Seals NY subleases certain office space located at 11 West 42nd Street in New York to an unrelated party. The sublease agreement expires in August 2013. Total rental income earned under this sublease agreement for the years ended August 31, 2012 and 2011 was approximately \$140,000 and \$142,000, respectively.

5. Fixed Assets

Fixed assets consist of the following at August 31:

	<u>2012</u>	<u>2011</u>
Buildings	\$ 28,872,993	\$ 29,481,389
Land and land improvements	3,493,590	3,793,004
Leasehold improvements	892,094	830,761
Office equipment and furniture	9,993,575	9,865,652
Vehicles	3,093,740	3,143,807
Construction in progress	<u>861,415</u>	<u>1,059,007</u>
	47,207,407	48,173,620
Less accumulated depreciation and amortization	<u>(22,074,926)</u>	<u>(22,804,756)</u>
	<u>\$ 25,132,481</u>	<u>\$ 25,368,864</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

5. Fixed Assets (Continued)

Depreciation and amortization expense related to fixed assets totaled \$1,827,988 and \$1,813,284 in 2012 and 2011, respectively. Depreciation and amortization of fixed assets included within discontinued operations in 2012 and 2011 totaled \$90,991 and \$187,501, respectively.

During 2012, Easter Seals NH received a donated building with an estimated fair value of approximately \$1,100,000. Under the terms of the donation, for a period of six years, Easter Seals NH must continue to use the building as a child care center. Should Easter Seals NH cease to operate the program, or wish to sell or donate the property, Easter Seals NH must first provide the donor with the opportunity to purchase the property for \$1. The contribution representing the fair value of the building has been recorded as deferred revenue at August 31, 2012.

Easter Seals NH has outstanding construction commitments totaling approximately \$2,460,000 at August 31, 2012.

6. Investments and Assets Limited as to Use

Investments and assets limited as to use, at fair value, are as follows at August 31:

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 2,822,042	\$ 4,351,252
Certificates of deposit	1,750,201	1,570,514
Marketable equity securities	1,905,202	1,770,046
Mutual funds	10,900,984	9,377,957
Corporate and foreign bonds	792,669	1,063,594
Government and agency securities	<u>310,437</u>	<u>320,022</u>
	18,481,535	18,453,385
Less: assets limited as to use	<u>(5,475,778)</u>	<u>(6,641,610)</u>
Total investments, at fair value	<u>\$13,005,757</u>	<u>\$11,811,775</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

6. Investments and Assets Limited as to Use (Continued)

The composition of assets limited as to use at August 31, 2012 and 2011 are set forth in the table shown below at fair value. The portion of assets limited as to use that is required for obligations classified as current liabilities is reported in current assets.

	<u>2012</u>	<u>2011</u>
Under an agreement with the State of Connecticut, which provides that the funds be utilized for certain allowable program expenditures:		
Cash and cash equivalents	\$2,284,027	\$2,880,440
Certificates of deposit	<u>1,750,201</u>	<u>1,570,514</u>
	4,034,228	4,450,954
Under a deferred compensation plan (see note 7):		
Investments	1,167,789	1,151,396
Under 2010 bond indenture agreements (see note 8):		
Cash and cash equivalents	-	780,510
Maintained in escrow to make required payments on certain bonds (see note 8):		
Cash and cash equivalents	<u>273,761</u>	<u>258,750</u>
Total assets limited as to use	<u>\$5,475,778</u>	<u>\$6,641,610</u>

The principal components of investment income, gains and losses included in continuing operations are summarized below. Amounts included in discontinued operations for 2012 and 2011 were not significant.

	<u>2012</u>	<u>2011</u>
Unrestricted investment income and unrealized and realized gains on investments:		
Dividend and interest income	\$ 680,465	\$ 620,764
Net unrealized gains	393,815	358,851
Net realized gains	<u>168,831</u>	<u>27,375</u>
	1,243,111	1,006,990
Restricted investment income and unrealized and realized gains on investments:		
Dividend and interest income	3,635	2,157
Net unrealized gains	1,905	392,497
Net realized gains	<u>4,776</u>	<u>164,115</u>
	<u>10,316</u>	<u>558,769</u>
	<u>\$1,253,427</u>	<u>\$1,565,759</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

7. Retirement Plans

Easter Seals NH maintains a Section 403(b) Plan (a defined contribution retirement plan), which covers substantially all employees. Eligible employees may contribute any whole percentage of their annual salary. Employee contributions may be matched by Easter Seals NH as determined in the annual budget. The combined amount of employer and employee contributions is subject by law to annual maximum amounts. The employer match was approximately \$490,000 and \$423,000 for the years ended August 31, 2012 and 2011, respectively.

Easter Seals New Hampshire, Inc. offers, to certain management personnel, the option to participate in an Internal Revenue Code Section 457 Deferred Compensation Plan to which the organization may make a discretionary contribution. The employees' accounts are not available until termination, retirement, death or an unforeseeable emergency. Easter Seals New Hampshire, Inc. contributed approximately \$120,000 and \$127,500 to this plan during the years ended August 31, 2012 and 2011, respectively. The assets and liabilities associated with this plan were \$1,167,789 and \$1,151,396 at August 31, 2012 and 2011, respectively, and are included within assets limited as to use and other liabilities in the accompanying consolidated statements of financial position.

8. Borrowings

Borrowings consist of the following at August 31:

	<u>2012</u>	<u>2011</u>
Revenue Bonds, Series 2004A, tax exempt, issued through the New Hampshire Health and Education Facilities Authority (NHHEFA), with a variable rate determined through weekly remarketing (0.17% at August 31, 2012) through December 2034, annual principal payments continually increasing from \$365,000 to \$1,060,000 with a final payment of \$1,060,000 due December 2034, secured by a pledge of all gross receipts of Easter Seals NH and certain letters of credit (see below)	\$15,025,000	\$15,370,000
Revenue Bonds, Series A, issued through the Massachusetts Development Finance Agency (MDFA), monthly principal installments, which escalate annually at 5.34% ranging from \$5,571 to \$12,689 through October 2025, plus interest on the outstanding balance. Interest is payable monthly on the sixth day of the month at (i) forty-five basis points plus (ii) 69% of the sum of (A) the spread (225 basis points) plus (B) LIBOR, secured by mortgage interest in various real properties, paid in full in November 2011	-	1,547,396
Revenue Bonds, Series B, issued through the MDFA, monthly principal and interest of \$5,727 through October 2012. Interest is payable monthly on the sixth day of the month at a fixed rate of 5.31%, paid in full in November 2011	-	77,544
Revenue Bonds, Series 2010, issued through the Monroe County Industrial Development Corporation, interest only payments due through December 2011, after which monthly principal and interest payments ranging from \$9,770 to \$21,980 are required through the maturity date of December 31, 2040. Interest is payable monthly at a rate equal to 68% of the sum of the monthly LIBOR rate plus 2.65% (1.97 % at August 31, 2012)	5,171,840	5,250,000

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

8. Borrowings (Continued)

Mortgage note payable to a bank with a fixed rate of 5.91%, principal of \$1,723 plus interest payable monthly, with a final payment of \$79,160 due December 2015, secured by a pledge of all unrestricted investments and certain real property located at 11 Burnham Street and 195 Stratton Road in Rutland, Vermont, paid in full in April 2012	\$	-	\$	168,756
Mortgage payable to a bank with a variable rate of LIBOR plus 2.65% (2.89% at August 31, 2012), principal of \$9,500 plus interest payable monthly, with a final payment of \$2,299,000 due March 2015, secured by all business assets and property of Easter Seals CT, excluding certain assets limited as to use totaling \$4,034,228 at August 31, 2012			2,584,000	2,698,000
Note payable to a bank with a fixed rate of 4.25%, principal and interest of \$823 payable monthly, due July 2013, secured by a vehicle		8,941		18,216
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$4,919 payable monthly, secured by vehicles, paid in full in March 2012		-		34,248
Note payable to a bank with a fixed rate of 3.66%, principal and interest of \$3,177 payable monthly, due August 2015, secured by vehicles		108,052		141,472
Unsecured note payable to an individual with a fixed rate of 5.25%, principal and interest of \$10,311 payable monthly, due April 2016		411,835		-
Non-revolving note payable to a bank with a total availability of \$3,500,000 (\$3,139,018 available for additional borrowings at August 31, 2012), with a variable rate of LIBOR plus 4.07% (4.31% at August 31, 2012), interest only payments through June 2014, after which monthly principal and interest payments are required through the maturity in June 2015, secured by an interest in certain property with a net book value of \$ _____ at August 31, 2012			<u>360,982</u>	<u>-</u>
			23,670,650	25,305,632
Less current portion			<u>746,716</u>	<u>774,891</u>
			<u>\$22,923,934</u>	<u>\$24,530,741</u>

Principal payments on long-term debt for each of the following years ending August 31 are as follows:

2013	\$	746,716
2014		828,396
2015		3,336,933
2016		631,204
2017		574,200
Thereafter		<u>17,553,201</u>
		<u>\$23,670,650</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

8. Borrowings (Continued)

Lines of Credit

Easter Seals New Hampshire, Inc. has an agreement with a bank for a \$500,000 nonrevolving equipment line of credit. The line of credit is to be used to fund the purchase of New Hampshire titled vehicles for use by Easter Seals NH through January 2, 2013. The interest rate charged on outstanding borrowings is at a fixed rate at the then prime rate minus 0.75% for maturities up to a five-year term. Availability under this nonrevolving line of credit, which is reduced by the original amount of certain notes payable as of August 31, 2012 and 2011, is \$285,128 at August 31, 2012. No amounts were outstanding under this agreement as of August 31, 2012 and 2011.

Easter Seals New Hampshire, Inc. (the sole member of Easter Seals NY and Harbor Schools), Easter Seals NY and Harbor Schools have a revolving line of credit with a bank, with available borrowings up to \$7 million (a portion of which is secured by available letters of credit of \$110,795, of which \$39,795 is related to Easter Seals NY). Outstanding advances are due on demand. The revolving line of credit has the following sub-limits which were last amended in May 2012; Easter Seals NH \$3.5 million, Easter Seals NY \$3 million and Harbor Schools \$500,000. The interest rate charged on outstanding borrowings is at LIBOR plus 2.25% (2.49% at August 31, 2012). Under an event of default, the interest rate will increase from LIBOR plus 2.25% to LIBOR plus 5.25%. The line is secured by a first priority interest in all business assets of Easter Seals New Hampshire, Inc., Easter Seals NY and Harbor Schools. The agreement requires that collective borrowings under the line of credit be reduced to \$3,500,000 for 30 consecutive days during each calendar year. The agreement also limits each borrower's ability to incur additional indebtedness in excess of \$500,000. Amounts outstanding under this revolving line of credit agreement at August 31, 2012 and 2011 were \$451,302 and \$0, respectively, related to Harbor Schools and \$1,124,649 and \$345,519, respectively, related to Easter Seals NY.

Easter Seals CT has a demand revolving line of credit with a bank with available borrowings up to \$1 million. The interest rate charged on outstanding borrowings is at LIBOR plus 2.25% (2.49% at August 31, 2012). The line is secured by all business assets and property of Easter Seals CT, except for certain assets limited as to use (\$4,034,228 carrying value as of August 31, 2012). Additionally, this line is guaranteed by Easter Seals NH. The agreement also limits Easter Seals CT's ability to incur additional indebtedness in excess of \$1,000,000 related to real estate, and is cross collateralized with all Easter Seals NH borrowings at this bank. Amounts outstanding under this revolving line of credit agreement at August 31, 2012 and 2011 were \$406,653 and \$302,944, respectively.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

8. Borrowings (Continued)

NHHEFA 2004A Revenue Bonds

In connection with the NHHEFA 2004A Revenue Bonds, Easter Seals NH is required to make deposits of interest and principal of sufficient amounts to make the required interest payments and to retire the Bonds when due. The 2004A Revenue Bonds require that Easter Seals NH maintain certain reserve funds with a trustee for current required principal and interest payments. Such amounts, which are included within assets limited as to use, totaled \$273,761 and \$258,750 at August 31, 2012 and 2011, respectively. This agreement also requires bank approval prior to Easter Seals NH incurring additional indebtedness. Easter Seals NH has four available letters of credit securing the bonds. Two letters of credit are each \$15,210,240 (these two expiring and subject to renewal on December 1, 2013, and mainly to support future principal and interest repayments due under the 2004A Revenue Bonds), and two other letters of credit totaling \$110,795 as described above under lines of credit. Easter Seals NH is required to replace or renew the two \$15,210,240 letters of credit upon their expiration or the related bonds may be subject to early redemption. Easter Seals NH pays an annual fee of 150 basis points for the two letters of credit relating to the 2004A NHHEFA Revenue Bonds. Fees incurred on these letters of credit totaled approximately \$234,000 and \$238,000 in 2012 and 2011, respectively.

Series 2010 Revenue Bonds

On December 1, 2010, Easter Seals NY, in connection with the Monroe County Industrial Development Corporation and RBS Citizens, issued \$5,250,000 in Series 2010 tax-exempt Revenue Bonds (the Series 2010 Bonds). The Series 2010 Bonds were used to finance the acquisition of certain property located in Irondequoit, New York, provide for improvements to a school building and an existing rehabilitation facility, and construct two residential rehabilitation facilities. Additionally, proceeds were used to refinance certain Easter Seals NY outstanding debt totaling \$922,188.

The Series 2010 Bonds are secured by a mortgage on all properties and improvements financed by the bonds, and are guaranteed by Easter Seals NH. Easter Seals NY may elect to prepay some portion or all of the outstanding bonds subject to a prepayment fee, as defined. This agreement also requires bank approval prior to Easter Seals NY incurring additional indebtedness. The Series 2010 Bonds are subject to tender for mandatory purchase at the election of the bondholder beginning June 1, 2016, and thereafter every five years through June 1, 2036.

Interest Rate Swap Agreements

Easter Seals NH has an interest rate swap agreement with a bank in connection with the Series 2004A Revenue Bonds. The swap agreement has an outstanding notional amount of \$15,025,000 and \$15,370,000 at August 31, 2012 and 2011, respectively, which reduces, in conjunction with bond principal reductions, until the agreement terminates in December 2034. Easter Seals NH remits interest at the fixed rate of 3.54% and receives interest at a variable rate (0.17% at August 31, 2012).

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

8. Borrowings (Continued)

Harbor Schools had an interest rate swap agreement with a bank in connection with the Series A Revenue Bonds with the Massachusetts Development Finance Authority. The interest rate swap agreement, which would have terminated in October 2015, was terminated effective November 15, 2011 upon Harbor Schools full repayment of Revenue Bonds Series A and B issued through MDFA. This triggered a termination payment of \$159,678 by Easter Seals NH. The swap agreement had an outstanding notional amount of \$1,547,396 at August 31, 2011. This agreement effectively changed Harbor Schools' variable interest rate Series A bonds to a fixed interest rate. Under the terms of the swap, Harbor Schools paid a monthly fixed-rate of 5.53% and received a monthly variable rate based on a similar formula to the interest being charged on the Series A bonds.

On February 23, 2011, Easter Seals NY entered into an interest rate swap agreement with a bank in connection with the Series 2010 Revenue Bonds. The swap agreement had an outstanding notional amount of \$5,171,840 and \$5,250,000 at August 31, 2012 and 2011, respectively, which reduces, in conjunction with bond principal reductions, until the agreement terminates in January 2031. Easter Seals NY remits interest at a fixed rate of 2.99% and receives interest at a variable rate (68% of monthly LIBOR).

On December 27, 2010, Easter Seals CT entered into an interest rate swap agreement in connection with an outstanding mortgage payable (\$2,584,000 and \$2,698,000 at August 31, 2012 and 2011, respectively), until the agreement terminates in March 2015. The original notional amount of \$1,800,000 will reduce ratably in conjunction with repayment of the note payable. The swap agreement effectively changed the variable rate (2.89% at August 31, 2012) to a fixed rate of 2.72% for the notional amounts outstanding, which is approximately 65% of the related mortgage payable.

The fair value of the above interest rate swap agreements totaled \$5,135,978 and \$4,041,445 at August 31, 2012 and 2011, respectively, \$734,470 and \$726,083 of which was current at August 31, 2012 and 2011, respectively. During the years ended August 31, 2012 and 2011 net payments required by the agreements (excluding the Harbor Schools swap termination payment of \$159,678 in November 2011) totaled \$708,196 and \$684,995, respectively. These payments, except for those relating to the Harbor Schools interest rate swap, which have been included within discontinued operations, have been included in interest expense within the consolidated statements of activities and changes in net assets. See note 11 with respect to fair value determinations.

Debt Covenants

In connection with the bonds, lines of credit and various other notes payable described above, Easter Seals NH is required to comply with certain financial covenants including, but not limited to, minimum liquidity and debt service coverage ratios. At August 31, 2012, Easter Seals NH was in compliance with restrictive covenants specified under the NHHEFA bonds, Series 2010 Bonds, and other debt obligations, except for maintaining a maximum leverage ratio of 2.00:1 as required by covenants for the Easter Seals New Hampshire, Inc. nonrevolving equipment line of credit at August 31, 2012. Easter Seals NH has not received a waiver for this covenant violation; however, the total amount outstanding under this line of credit is \$8,941, which is classified within the current portion of long-term debt at August 31, 2012.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

9. Donated Services

A number of volunteers have donated their time in connection with Easter Seals NH's program services and fundraising campaigns. However, no amounts have been reflected in the accompanying consolidated financial statements for such donated services, as no objective basis is available to measure the value.

10. Related Party Transactions

Approximately 19% and 20% of other fees and grants revenue is derived from a pass-through grant from Easter Seals, Inc. for the years ended August 31, 2012 and 2011, respectively. Easter Seals NH is a member of Easter Seals, Inc. As of August 31, 2012 and 2011, Easter Seals NH had a receivable of \$441,980 and \$223,162, respectively, from Easter Seals, Inc. related to amounts due under this grant. Additionally, Easter Seals NY had an amount payable to Easter Seals, Inc. of \$314,557 as of August 31, 2011 for amounts being refunded under this grant. Membership fees to Easter Seals, Inc. were \$134,887 and \$123,151 for the years ended August 31, 2012 and 2011, respectively and are reflected as support of National programs on the accompanying consolidated statements of activity and changes in net assets.

11. Fair Value of Financial Instruments

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at their measurement date. In determining fair value, Easter Seals NH uses various methods including market, income and cost approaches, and utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in factors used in the valuation. These factors may be readily observable, market corroborated, or generally unobservable. Easter Seals NH utilizes valuation techniques that maximize the use of observable factors and minimizes the use of unobservable factors.

Certain of Easter Seals NH's financial instruments are reported at fair value, which include beneficial interest held in trusts, investments and the interest rate swaps, and are classified by levels that rank the quality and reliability of the information used to determine fair value:

Level 1 – Valuations for financial instruments traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical instruments.

Level 2 – Valuations for financial instruments traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar instruments.

Level 3 – Valuations for financial instruments derived from other methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining fair value.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

11. Fair Value of Financial Instruments (Continued)

The following describes the valuation methodologies used to measure financial assets and liabilities at fair value. The levels relate to valuation only and do not necessarily indicate a measure of investment risk. There have been no changes in the methodologies used by Easter Seals NH at August 31, 2012 and 2011.

Investments and Assets Limited as to Use

Cash and cash equivalents are deemed to be Level 1. The fair values of marketable equity securities, money market and mutual funds and government and agency securities that are based upon quoted prices in active markets for identical assets are reflected as Level 1. Investments in certain other mutual funds and corporate bonds where securities are transparent and generally are based upon quoted prices in active markets are valued by the investment managers and reflected as Level 2. Investments in certificates of deposit are at cost plus accrued interest, which is estimated to approximate fair value and are included in Level 2.

Beneficial Interest in Trusts Held by Others

The beneficial interest in trusts held by others has been assigned fair value levels based on the fair value levels of the underlying investments within the trusts. The fair values of marketable equity securities, money market and mutual funds, government and agency securities and other asset funds are based upon quoted prices in active markets for identical assets and are reflected as Level 1. Investments in marketable equity securities, mutual funds and corporate and foreign bonds where securities are transparent and generally are based upon quoted prices in active markets are valued by the investment managers and reflected as Level 2. Investments in alternative and other asset funds are derived from other methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions, and are reflected as Level 3. Level 3 valuations incorporate certain assumptions and projections in determining fair value.

Interest Rate Swap Agreements

The fair value for the interest rate swap liabilities is included in Level 3 and is estimated by the counterparty using industry standard valuation models. These models project future cash flows and discount the future amounts to present value using market-based observable inputs, including interest rates.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

11. Fair Value of Financial Instruments (Continued)

At August 31, 2012 and 2011, Easter Seals NH's assets and liabilities measured at fair value on a recurring basis were classified as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2012</u>				
Assets:				
Assets limited as to use and investments at fair value:				
Cash and cash equivalents	\$2,822,042	\$ -	\$ -	\$ 2,822,042
Certificates of deposit	-	1,750,201	-	1,750,201
Marketable equity securities:				
Large-cap	1,715,844	-	-	1,715,844
International	189,358	-	-	189,358
Mutual funds, open-ended:				
Short-term fixed income	2,704,530	-	-	2,704,530
Intermediate-term bond fund	776,015	-	-	776,015
High yield bond fund	277,483	-	-	277,483
Foreign bond	142,305	-	-	142,305
Government securities	684,829	-	-	684,829
International equities	350,761	-	-	350,761
Domestic, large-cap	850,491	-	-	850,491
Domestic, mid-cap	1,039,241	-	-	1,039,241
Domestic, small-cap	159,736	-	-	159,736
Domestic, multi-alternative	-	-	-	-
Real estate fund	68,271	-	-	68,271
Mutual funds, closed-ended:				
Fixed income and bond	339,555	-	-	339,555
Domestic, large-cap	2,517,522	-	-	2,517,522
Domestic, mid-cap	16,045	-	-	16,045
Domestic, small-cap	239,693	-	-	239,693
International equity	614,770	-	-	614,770
Commodity	119,737	-	-	119,737
Corporate and foreign bonds	-	792,669	-	792,669
Government and agency securities	<u>310,437</u>	<u>-</u>	<u>-</u>	<u>310,437</u>
	<u>\$15,938,665</u>	<u>\$2,542,870</u>	<u>\$ -</u>	<u>\$18,481,535</u>
Beneficial interest in trust held by others:				
Money market funds	\$ 403,426	\$ -	\$ -	\$ 403,426
Marketable equity securities:				
Large-cap	2,128,511	136,980	-	2,265,491
Mid-cap	367,586	38,092	-	405,678
Small-cap	-	26,099	-	26,099
International	421,345	35,421	-	456,766
Emerging markets	23,776	-	-	23,776
Corporate bonds	-	622,220	-	622,220
Foreign bonds	-	20,659	-	20,659

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

11. Fair Value of Financial Instruments (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Domestic fixed income	\$ —	\$ 975,161	\$ —	\$ 975,161
International equity	32,132	—	—	32,132
International fixed income	20,938	—	—	20,938
Domestic large-cap equity	62,604	—	—	62,604
Domestic mid-cap equity	14,062	—	—	14,062
Domestic small-cap equity	18,779	—	—	18,779
Government and agency securities	34,061	—	—	34,061
Real estate investment trust	102,373	—	—	102,373
Alternative and structured asset funds	<u>35,452</u>	<u>—</u>	<u>78,614</u>	<u>114,066</u>
	<u>\$ 3,665,045</u>	<u>\$ 1,854,632</u>	<u>\$ 78,614</u>	<u>\$ 5,598,291</u>
Liabilities:				
Interest rate swap agreements	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,135,978</u>	<u>\$ 5,135,978</u>
<u>2011</u>				
Assets:				
Assets limited as to use and investments at fair value:				
Cash and cash equivalents	\$ 4,351,252	\$ —	\$ —	\$ 4,351,252
Certificates of deposit	—	1,570,514	—	1,570,514
Marketable equity securities:				
Large-cap	1,603,796	—	—	1,603,796
International	166,250	—	—	166,250
Mutual funds, open-ended:				
Short-term fixed income	2,106,206	—	—	2,106,206
Bond fund	724,870	—	—	724,870
Foreign bond	286,037	—	—	286,037
Government securities	327,829	—	—	327,829
International equities	298,746	—	—	298,746
Domestic, large-cap	1,239,110	—	—	1,239,110
Domestic, mid-cap	488,926	—	—	488,926
Domestic, multi-alternative	—	60,125	—	60,125
Mutual funds, closed-ended:				
Fixed income and bond	304,692	—	—	304,692
Domestic, large-cap	2,200,754	—	—	2,200,754
Domestic, mid-cap	16,636	—	—	16,636
Domestic, small-cap	312,947	—	—	312,947
International equities	630,060	—	—	630,060
Commodity	381,019	—	—	381,019
Corporate bonds	—	1,063,594	—	1,063,594
Government and agency securities	<u>320,022</u>	<u>—</u>	<u>—</u>	<u>320,022</u>
	<u>\$ 15,759,152</u>	<u>\$ 2,694,233</u>	<u>\$ —</u>	<u>\$ 18,453,385</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

11. Fair Value of Financial Instruments (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in trust held by others:				
Money market funds	\$ 161,886	\$ -	\$ -	\$ 161,886
Marketable equity securities:				
Large-cap	2,210,348	100,989	-	2,311,337
Mid-cap	289,089	35,027	-	324,116
Small-cap	-	23,110	-	23,110
International	350,202	46,386	-	396,588
Emerging markets	71,271	-	-	71,271
Corporate bonds	-	699,707	-	699,707
Foreign bonds	-	20,558	-	20,558
Mutual funds:				
Domestic fixed income	-	972,085	-	972,085
International equity	34,821	-	-	34,821
International fixed income	-	15,194	-	15,194
Domestic large-cap equity	61,776	-	-	61,776
Domestic mid-cap equity	11,832	-	-	11,832
Domestic small-cap equity	17,527	-	-	17,527
Government and agency securities	46,513	-	-	46,513
Alternative and structured asset funds	<u>26,687</u>	<u>-</u>	<u>57,709</u>	<u>84,396</u>
	<u>\$ 3,281,952</u>	<u>\$ 1,913,056</u>	<u>\$ 57,709</u>	<u>\$ 5,252,717</u>
Liabilities:				
Interest rate swap agreements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,041,445</u>	<u>\$ 4,041,445</u>

The table below sets forth a summary of changes in the fair value of Easter Seals NH's Level 3 assets and liabilities for the years ended August 31, 2012 and 2011:

	<u>Interest Rate Swaps</u>	<u>Alternative and Other Asset Funds</u>
Beginning balance, September 1, 2010	\$ (3,362,975)	\$ 79,457
Unrealized losses	(1,264,423)	(21,748)
Payments, net	<u>585,953</u>	<u>-</u>
Ending balance, August 31, 2011	(4,041,445)	57,709
Unrealized (losses) gains	(1,962,407)	20,905
Payments, net	708,196	-
Swap termination payment	<u>159,678</u>	<u>-</u>
Ending balance, August 31, 2012	<u>\$ (5,135,978)</u>	<u>\$ 78,614</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

11. Fair Value of Financial Instruments (Continued)

Unrealized gains relating to the Harbor Schools interest rate swap totaled \$8,185 and \$14,638 in 2012 and 2011, respectively, and are included within discontinued operations (see note 13).

The net amounts of unrealized losses for the period attributable to the change in unrealized losses relating to the interest rate swaps still held at August 31, 2012 and 2011 were \$1,254,211 and \$678,470, respectively. The amount of unrealized losses for the period attributable to the change in unrealized losses relating to the Level 3 investments still held at August 31, 2012 and 2011 were \$12,817 and \$21,748, respectively.

Easter Seals NH's other financial instruments, including cash and cash equivalents, accounts receivable from affiliates, program and other accounts receivable, contributions receivable, accounts payable, lines of credit, and long-term debt, have fair values approximating their carrying values because of the short-term nature of the financial instruments or because interest rates approximate current market rates.

12. Acquisition

On September 1, 2011, Easter Seals NH entered into an affiliation agreement under which Easter Seals NH became the sole member of Webster Place Center, Inc. (Webster Place). Webster Place was not controlled by Easter Seals NH prior to this agreement. This affiliation has been accounted for in accordance with generally accepted accounting principles guidance on acquisitions by a not-for-profit entity. Substantially all revenue and support of Webster Place is from fees charged for services. Webster Place had revenue of approximately \$2,064,000, and an increase in net assets from operations of approximately \$763,000 for the year ended August 31, 2012, which results were attributed by the management of Easter Seals NH to being driven by effective management of the programs and identification of candidates for those programs. The tangible and identifiable intangible assets acquired, and deferred revenue and liabilities assumed, were initially recorded at their estimated fair values as determined by management at the acquisition date, as summarized below:

Assets acquired:

Cash and cash equivalents	\$ 227,830
Other current assets	26,789
Patient list	331,000
Fixed assets	<u>112,776</u>
	698,395

Liabilities assumed:

Accounts payable	(54,125)
Deferred revenue	(131,582)
Debt	<u>(512,688)</u>

Fair value of net assets acquired \$ —

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2012 and 2011

13. Discontinued Operations

On January 25, 2012, the Board of Directors of Easter Seals New Hampshire, Inc., as recommended by the Harbor Schools Board of Directors, voted to close Harbor Schools and cease all operations of this subsidiary. On January 25, 2012, the Board of Directors of Easter Seals New Hampshire, Inc. also voted to approve discontinuing the group home and special education programs in Rutland, Vermont. The management of Easter Seals NH has determined that the closure of each of these programs met the criteria for classification as discontinued operations. The decisions to close the programs were based on performance factors. A summary statement of financial position for Harbor Schools and the Vermont special education programs as of August 31, 2012 and 2011 is as follows:

	<u>Vermont Programs</u>		<u>Harbor Schools</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Total assets	\$ 1,000	\$395,021	\$1,118,306	\$2,776,903
Total liabilities	-	57,958	813,880	3,046,517
Net assets (deficit):				
Unrestricted	1,000	337,063	251,319	(320,485)
Temporarily restricted	-	-	29,281	27,045
Permanently restricted	-	-	23,826	23,826

A summary of the statements of activities for the Vermont Programs and Harbor Schools, prior to reclass to discontinued operations, for the years ended August 31, 2012 and 2011 is as follows:

	<u>Vermont Programs</u>		<u>Harbor Schools</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Total public support and revenue	\$ 242,500	\$ 938,761	\$ 2,589,615	\$ 6,227,872
Operating expenses	(401,216)	(832,631)	(3,871,472)	(6,940,125)
Other non-operating expenses, gains and losses	-	-	(57,538)	(26,111)
Gain (loss) on sale of properties, net	<u>106,474</u>	<u>-</u>	<u>1,913,435</u>	<u>(65,009)</u>
Total increase (decrease) in net assets	<u>\$ (52,242)</u>	<u>\$ 106,130</u>	<u>\$ 574,040</u>	<u>\$ (803,373)</u>

During 2012, Easter Seals NH sold six properties related to the closure of these programs, which resulted in gains on the sale of property of \$2,019,909 for the year ended August 31, 2012.

14. Concentrations

Easter Seals NH maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. As of August 31, 2012 and 2011, approximately \$4,264,000 and \$4,649,000, respectively, of cash and cash equivalents (including cash and cash equivalents classified within assets limited as to use) exceeded federally insured limits and were uncollateralized. Easter Seals NH has not experienced any losses in such accounts, and management believes Easter Seals NH is not exposed to any significant credit risk on cash and cash equivalents.

OTHER FINANCIAL INFORMATION

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

August 31, 2012

ASSETS

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
	\$ 3,261,116	\$ 1,500	\$ 400	\$ 500	\$ --	\$ 217,128	\$ 921,543	\$ --	\$ 4,402,187
	7,589,576	1,223,181	--	--	--	--	441,980	(8,812,757)	441,980
le, net	6,205,477	307,858	140,420	140,702	2,655	213,524	2,310,934	--	9,321,570
	184,118	250	4,242	8,642	--	10,160	284,317	--	491,729
	273,761	--	--	--	--	184,244	--	--	458,005
assets	<u>796,271</u>	<u>12,698</u>	<u>20,780</u>	<u>11,863</u>	<u>17,625</u>	<u>56,849</u>	<u>388,087</u>	<u>--</u>	<u>1,304,173</u>
	18,310,319	1,545,487	165,842	161,707	20,280	681,905	4,346,861	(8,812,757)	16,419,644
rtion	1,167,789	--	--	--	--	3,849,984	--	--	5,017,773
	17,149,053	1,621	9,272	14,324	140,666	2,061,397	5,756,148	--	25,132,481
	--	--	--	--	910,171	--	--	--	910,171
	68,363	--	--	--	--	--	186,027	--	254,390
	10,609,510	--	--	--	47,189	1,526,328	822,730	--	13,005,757
s	992,034	--	--	34,488	--	4,999,548	593,941	--	6,620,011
	<u>\$48,297,068</u>	<u>\$1,547,108</u>	<u>\$ 175,114</u>	<u>\$ 210,519</u>	<u>\$1,118,306</u>	<u>\$13,119,162</u>	<u>\$11,705,707</u>	<u>\$ (8,812,757)</u>	<u>\$67,360,227</u>

LIABILITIES AND NET ASSETS

* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
\$ -	\$ -	\$ -	\$ -	\$ 451,302	\$ 406,653	\$ 1,124,649	\$ -	\$ 1,982,604
1,646,794	9,093	476	4,154	236,194	43,982	690,242	-	2,630,935
3,200,668	6,041	20,936	7,584	95,290	142,447	889,226	-	4,362,192
4,867,724	-	2,386,803	25,941	31,094	476,403	1,024,792	(8,812,757)	-
-	-	-	-	-	-	435,008	-	435,008
1,469,308	21,337	19,644	450	-	190,312	56,232	-	1,757,283
545,538	-	-	-	-	41,541	147,391	-	734,470
<u>478,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,000</u>	<u>154,172</u>	<u>-</u>	<u>746,716</u>
12,208,576	36,471	2,427,859	38,129	813,880	1,415,338	4,521,712	(8,812,757)	12,649,208
-	-	-	-	-	3,778,487	-	-	3,778,487
1,168,659	-	-	-	-	-	-	-	1,168,659
3,435,046	-	-	-	-	56,467	909,995	-	4,401,508
<u>15,328,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,470,000</u>	<u>5,125,720</u>	<u>-</u>	<u>22,923,934</u>
32,140,495	36,471	2,427,859	38,129	813,880	7,720,292	10,557,427	(8,812,757)	44,921,796
11,322,701	1,510,638	(2,255,245)	132,103	251,319	399,323	576,920	-	11,937,759
483,752	(1)	2,500	5,799	29,281	-	77,419	-	598,750
<u>4,350,120</u>	<u>-</u>	<u>-</u>	<u>34,488</u>	<u>23,826</u>	<u>4,999,547</u>	<u>493,941</u>	<u>-</u>	<u>9,901,922</u>
16,156,573	1,510,637	(2,252,745)	172,390	304,426	5,398,870	1,148,280	-	22,438,431
<u>\$48,297,068</u>	<u>\$1,547,108</u>	<u>\$ 175,114</u>	<u>\$ 210,519</u>	<u>\$1,118,306</u>	<u>\$13,119,162</u>	<u>\$11,705,707</u>	<u>\$ (8,812,757)</u>	<u>\$67,360,227</u>

cial Transit Service, Inc., Webster Place, Inc. and Manchester Alcoholism Rehabilitation Center

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

August 31, 2011

ASSETS

	<u>* New Hampshire</u>	<u>Vermont</u>	<u>Maine</u>	<u>Rhode Island</u>	<u>Harbor Schools, Inc.</u>	<u>Connecticut</u>	<u>New York</u>	<u>Elimi- nations</u>	<u>Total</u>
	\$ 3,758,483	\$ 1,500	\$ 400	\$ 500	\$ 195,687	\$ 213,022	\$ 847,937	\$ -	\$ 5,017,529
	6,371,496	1,382,637	-	11,668	-	-	223,162	(7,765,801)	223,162
le, net	6,132,042	354,512	235,206	136,609	638,847	87,380	2,642,287	-	10,226,883
	172,251	168	8,475	21,138	-	10,010	107,669	-	319,711
	258,750	-	-	-	-	583,394	-	-	842,144
ssets	<u>565,858</u>	<u>10,506</u>	<u>12,086</u>	<u>10,241</u>	<u>31,713</u>	<u>49,440</u>	<u>394,522</u>	<u>-</u>	<u>1,074,366</u>
	17,258,880	1,749,323	256,167	180,156	866,247	943,246	4,215,577	(7,765,801)	17,703,795
ortion	1,151,396	-	-	-	-	3,867,560	780,510	-	5,799,466
	16,203,318	3,534	10,071	5,475	1,333,667	2,212,022	5,600,777	-	25,368,864
	-	-	-	-	505,256	-	-	-	505,256
	71,435	-	-	-	26,781	-	192,592	-	290,808
	9,617,520	-	-	-	44,952	1,373,232	776,071	-	11,811,775
	68,636	-	-	35,124	-	4,689,148	459,809	-	5,252,717
	<u>\$44,371,185</u>	<u>\$1,752,857</u>	<u>\$ 266,238</u>	<u>\$220,755</u>	<u>\$2,776,903</u>	<u>\$13,085,208</u>	<u>\$12,025,336</u>	<u>\$(7,765,801)</u>	<u>\$66,732,681</u>

LIABILITIES AND NET ASSETS

<u>* New Hampshire</u>	<u>Vermont</u>	<u>Maine</u>	<u>Rhode Island</u>	<u>Harbor Schools, Inc.</u>	<u>Connecticut</u>	<u>New York</u>	<u>Elimi- nations</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 302,944	\$ 345,519	\$ -	\$ 648,463
2,188,006	10,744	25,637	8,205	225,192	40,647	1,114,956	-	3,613,387
2,439,416	29,465	16,284	14,930	242,333	239,747	749,082	-	3,731,257
4,541,209	-	2,184,565	-	563,959	46,554	744,071	(7,765,801)	314,557
-	-	-	-	-	-	1,091,579	-	1,091,579
420,748	55,480	15,341	25,000	222,230	545,969	90,086	-	1,374,854
499,719	-	-	-	63,001	17,031	146,332	-	726,083
<u>409,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,101</u>	<u>114,000</u>	<u>111,578</u>	<u>-</u>	<u>774,891</u>
10,498,310	95,689	2,241,827	48,135	1,456,816	1,306,892	4,393,203	(7,765,801)	12,275,071
-	-	-	-	-	3,867,560	-	-	3,867,560
1,151,944	-	-	-	-	-	-	-	1,151,944
2,541,022	-	-	-	104,862	100,067	569,411	-	3,315,362
<u>15,182,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,484,839</u>	<u>2,584,000</u>	<u>5,279,894</u>	<u>-</u>	<u>24,530,741</u>
29,373,284	95,689	2,241,827	48,135	3,046,517	7,858,519	10,242,508	(7,765,801)	45,140,678
10,274,993	1,654,883	(1,980,471)	137,496	(320,485)	537,542	1,199,693	-	11,503,651
436,789	2,285	4,882	-	27,045	-	123,326	-	594,327
<u>4,286,119</u>	<u>-</u>	<u>-</u>	<u>35,124</u>	<u>23,826</u>	<u>4,689,147</u>	<u>459,809</u>	<u>-</u>	<u>9,494,025</u>
<u>14,997,901</u>	<u>1,657,168</u>	<u>(1,975,589)</u>	<u>172,620</u>	<u>(269,614)</u>	<u>5,226,689</u>	<u>1,782,828</u>	<u>-</u>	<u>21,592,003</u>
<u>\$44,371,185</u>	<u>\$1,752,857</u>	<u>\$ 266,238</u>	<u>\$ 220,755</u>	<u>\$2,776,903</u>	<u>\$13,085,208</u>	<u>\$12,025,336</u>	<u>\$(7,765,801)</u>	<u>\$66,732,681</u>

ocial Transit Service, Inc., and Manchester Alcoholism Rehabilitation Center

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended August 31, 2012

<u>* New Hampshire</u>	<u>Vermont</u>	<u>Maine</u>	<u>Rhode Island</u>	<u>Harbor Schools, Inc.</u>	<u>Connecticut</u>	<u>New York</u>	<u>Elimi- nations</u>	<u>Total</u>
\$ 1,156,204	\$ 1,724	\$ 32,327	\$ 20,558	\$ -	\$ 38,367	\$ 713,660	\$ -	\$ 1,962,840
334,262	2,290	50,586	100,824	-	60,337	637,478	-	1,185,777
407,951	4,795	21,089	33,306	-	10,830	-	-	477,971
<u>(3,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,761</u>	<u>122,000</u>	<u>-</u>	<u>127,761</u>
1,895,417	8,809	104,002	154,688	-	118,295	1,473,138	-	3,754,349
38,080,929	2,551,544	1,360,880	996,191	-	768,513	20,611,277	(12,840)	64,356,494
20,545,703	561,452	15,351	68,030	-	25,818	5,567,285	-	26,783,639
4,057,412	-	-	-	-	-	-	-	4,057,412
322,079	-	-	1,413	-	308,690	51,918	-	684,100
320	-	-	-	-	-	140,053	-	140,373
1,933,277	-	-	-	-	-	18,388	(1,951,665)	-
<u>141,239</u>	<u>14,553</u>	<u>1,075</u>	<u>3,170</u>	<u>-</u>	<u>428,169</u>	<u>54,056</u>	<u>-</u>	<u>642,262</u>
<u>65,080,959</u>	<u>3,127,549</u>	<u>1,377,306</u>	<u>1,068,804</u>	<u>-</u>	<u>1,531,190</u>	<u>26,442,977</u>	<u>(1,964,505)</u>	<u>96,664,280</u>
66,976,376	3,136,358	1,481,308	1,223,492	-	1,649,485	27,916,115	(1,964,505)	100,418,629
264,402	1,099	2,195	4,160	-	-	323,778	-	595,634
22,251	-	-	-	-	-	-	-	22,251
<u>56,877,121</u>	<u>2,829,132</u>	<u>1,517,264</u>	<u>980,690</u>	<u>-</u>	<u>1,463,963</u>	<u>25,003,349</u>	<u>(256,172)</u>	<u>88,415,347</u>
57,163,774	2,830,231	1,519,459	984,850	-	1,463,963	25,327,127	(256,172)	89,033,232

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
	\$ 7,553,872	\$ 259,458	\$ 146,294	\$ 101,051	\$ -	\$ 172,564	\$ 2,175,566	\$ (1,708,333)	\$ 8,700,472
	<u>712,742</u>	<u>24,527</u>	<u>92,116</u>	<u>133,417</u>	<u>-</u>	<u>265,115</u>	<u>654,438</u>	<u>-</u>	<u>1,882,355</u>
	<u>8,266,614</u>	<u>283,985</u>	<u>238,410</u>	<u>234,468</u>	<u>-</u>	<u>437,679</u>	<u>2,830,004</u>	<u>(1,708,333)</u>	<u>10,582,827</u>
	65,430,388	3,114,216	1,757,869	1,219,318	-	1,901,642	28,157,131	(1,964,505)	99,616,059
	<u>25,325</u>	<u>-</u>	<u>595</u>	<u>3,768</u>	<u>-</u>	<u>5,943</u>	<u>99,256</u>	<u>-</u>	<u>134,887</u>
	<u>65,455,713</u>	<u>3,114,216</u>	<u>1,758,464</u>	<u>1,223,086</u>	<u>-</u>	<u>1,907,585</u>	<u>28,256,387</u>	<u>(1,964,505)</u>	<u>99,750,946</u>
	1,520,663	22,142	(277,156)	406	-	(258,100)	(340,272)	-	667,683
esses:	(939,843)	-	-	-	-	19,090	(341,643)	-	(1,262,396)
aps	456,206	-	-	-	-	100,791	12,330	-	569,327
	1,678	-	-	(636)	-	310,400	34,132	-	345,574
y,	<u>3,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>905</u>	<u>-</u>	<u>4,442</u>
	<u>(478,422)</u>	<u>-</u>	<u>-</u>	<u>(636)</u>	<u>-</u>	<u>430,281</u>	<u>(294,276)</u>	<u>-</u>	<u>(343,053)</u>
	1,042,241	22,142	(277,156)	(230)	-	172,181	(634,548)	-	324,630
	<u>116,431</u>	<u>(168,673)</u>	<u>-</u>	<u>-</u>	<u>574,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>521,798</u>
	1,158,672	(146,531)	(277,156)	(230)	574,040	172,181	(634,548)	-	846,428
	<u>14,997,901</u>	<u>1,657,168</u>	<u>(1,975,589)</u>	<u>172,620</u>	<u>(269,614)</u>	<u>5,226,689</u>	<u>1,782,828</u>	<u>-</u>	<u>21,592,003</u>
	<u>\$ 16,156,573</u>	<u>\$ 1,510,637</u>	<u>\$ (2,252,745)</u>	<u>\$ 172,390</u>	<u>\$ 304,426</u>	<u>\$ 5,398,870</u>	<u>\$ 1,148,280</u>	<u>\$ -</u>	<u>\$ 22,438,431</u>

Transit Service, Inc., Webster Place Inc., and Manchester Alcoholism Rehabilitation Center

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended August 31, 2011

* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
\$ 824,244	\$ 7,317	\$ 36,918	\$ 24,109	\$ -	\$ 71,360	\$ 477,590	\$ -	\$ 1,441,538
312,172	13,188	56,893	80,422	-	4,748	719,251	-	1,186,674
454,178	13,607	26,232	28,398	-	7,787	-	-	530,202
<u>32,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>31,087</u>	<u>-</u>	<u>73,533</u>
1,623,040	34,112	120,043	132,929	-	93,895	1,227,928	-	3,231,947
36,500,304	2,256,303	1,361,672	885,469	-	744,644	15,117,126	-	56,865,518
21,823,453	601,541	20,500	102,142	-	18,495	7,131,922	-	29,698,053
-	-	-	-	-	-	161,178	-	161,178
3,617,280	-	-	-	-	-	-	(7,114)	3,610,166
259,210	-	1	1,547	-	302,738	59,425	-	622,921
-	-	-	-	-	-	141,855	-	141,855
2,077,234	-	-	-	-	-	-	(2,077,234)	-
<u>194,039</u>	<u>9,373</u>	<u>4,976</u>	<u>250</u>	<u>-</u>	<u>268,584</u>	<u>66,211</u>	<u>(625)</u>	<u>542,808</u>
<u>64,471,520</u>	<u>2,867,217</u>	<u>1,387,149</u>	<u>989,408</u>	<u>-</u>	<u>1,334,461</u>	<u>22,677,717</u>	<u>(2,084,973)</u>	<u>91,642,499</u>
66,094,560	2,901,329	1,507,192	1,122,337	-	1,428,356	23,905,645	(2,084,973)	94,874,446
277,510	-	1,069	1,461	-	-	342,355	-	622,395
22,136	-	-	-	-	-	-	-	22,136
-	-	-	-	-	-	595,904	-	595,904
<u>55,481,073</u>	<u>2,609,075</u>	<u>1,462,529</u>	<u>871,968</u>	<u>-</u>	<u>1,372,947</u>	<u>20,680,425</u>	<u>(232,359)</u>	<u>82,245,658</u>
55,780,719	2,609,075	1,463,598	873,429	-	1,372,947	21,618,684	(232,359)	83,486,093

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
	\$ 7,678,677	\$ 336,385	\$ 174,608	\$ 90,372	\$ -	\$ 271,894	\$ 1,887,022	\$ (1,852,614)	\$ 8,586,344
	<u>754,830</u>	<u>34,769</u>	<u>129,734</u>	<u>98,071</u>	<u>-</u>	<u>128,365</u>	<u>708,217</u>	<u>-</u>	<u>1,853,986</u>
	<u>8,433,507</u>	<u>371,154</u>	<u>304,342</u>	<u>188,443</u>	<u>-</u>	<u>400,259</u>	<u>2,595,239</u>	<u>(1,852,614)</u>	<u>10,440,330</u>
	64,214,226	2,980,229	1,767,940	1,061,872	-	1,773,206	24,213,923	(2,084,973)	93,926,423
	<u>25,325</u>	<u>-</u>	<u>595</u>	<u>435</u>	<u>-</u>	<u>5,487</u>	<u>91,309</u>	<u>-</u>	<u>123,151</u>
	<u>64,239,551</u>	<u>2,980,229</u>	<u>1,768,535</u>	<u>1,062,307</u>	<u>-</u>	<u>1,778,693</u>	<u>24,305,232</u>	<u>(2,084,973)</u>	<u>94,049,574</u>
	1,855,009	(78,900)	(261,343)	60,030	-	(350,337)	(399,587)	-	824,872
Issues:									
Transit Service, Inc.	139,733	-	-	-	-	(117,098)	(715,743)	-	(693,108)
Manchester Alcoholism Rehabilitation Center	877,877	-	-	-	-	76,781	(11,820)	-	942,838
	2,862	-	-	2,627	-	264,288	22,987	-	292,764
	<u>7,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,578</u>	<u>(17,278)</u>	<u>-</u>	<u>200,277</u>
	<u>1,028,449</u>	<u>-</u>	<u>-</u>	<u>2,627</u>	<u>-</u>	<u>433,549</u>	<u>(721,854)</u>	<u>-</u>	<u>742,771</u>
	2,883,458	(78,900)	(261,343)	62,657	-	83,212	(1,121,441)	-	1,567,643
	<u>(667)</u>	<u>106,797</u>	<u>-</u>	<u>-</u>	<u>(803,373)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(697,243)</u>
	2,882,791	27,897	(261,343)	62,657	(803,373)	83,212	(1,121,441)	-	870,400
	<u>12,115,110</u>	<u>1,629,271</u>	<u>(1,714,246)</u>	<u>109,963</u>	<u>533,759</u>	<u>5,143,477</u>	<u>2,904,269</u>	<u>-</u>	<u>20,721,603</u>
	<u>\$ 14,997,901</u>	<u>1,657,168</u>	<u>\$ (1,975,589)</u>	<u>\$ 172,620</u>	<u>\$ (269,614)</u>	<u>\$ 5,226,689</u>	<u>\$ 1,782,828</u>	<u>\$ -</u>	<u>\$ 21,592,003</u>

Transit Service, Inc., and Manchester Alcoholism Rehabilitation Center

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2012

<u>* New Hampshire</u>	<u>Vermont</u>	<u>Maine</u>	<u>Rhode Island</u>	<u>Harbor Schools, Inc.</u>	<u>Connecticut</u>	<u>New York</u>	<u>Elimi- nations</u>	<u>Total</u>
47,705,820	\$ 2,331,243	\$ 1,410,730	\$ 887,734	\$ —	\$ 983,598	\$ 20,516,610	\$ —	\$ 73,835,735
7,204,274	418,106	117,769	159,033	—	229,769	3,717,969	(1,951,665)	9,895,255
1,833,802	15,939	21,141	7,528	—	83,189	807,263	—	2,768,862
658,624	18,761	8,140	6,753	—	23,356	141,152	—	856,786
93,400	1,684	3,375	1,912	—	3,904	31,459	—	135,734
2,129,899	64,424	159,367	82,431	—	153,235	1,523,589	—	4,112,945
76,600	2,871	5,210	6,094	—	4,745	25,631	—	121,151
2,262,922	104,480	16,297	39,640	—	25,752	256,872	—	2,705,963
221,002	34,900	3,954	2,011	—	10,432	123,088	—	395,387
654,429	107,006	120	—	—	—	165,496	(12,840)	914,211
24,855	200	535	573	—	350	18,869	—	45,382
545,315	11,639	6,373	21,414	—	27,109	83,587	—	695,437
27,547	1,165	2,123	143	—	29,194	(3,112)	—	57,060
794,332	—	—	—	—	132,478	296,755	—	1,223,565
27,075	—	—	1,925	—	2,600	14,744	—	46,344
<u>1,170,492</u>	<u>1,798</u>	<u>2,735</u>	<u>2,127</u>	<u>—</u>	<u>191,931</u>	<u>437,159</u>	<u>—</u>	<u>1,806,242</u>
<u>65,430,388</u>	<u>\$ 3,114,216</u>	<u>\$ 1,757,869</u>	<u>\$ 1,219,318</u>	<u>\$ —</u>	<u>\$ 1,901,642</u>	<u>\$ 28,157,131</u>	<u>\$ (1,964,505)</u>	<u>\$ 99,616,059</u>

ial Transit Service, Inc., Webster Place Inc., and Manchester Alcoholism Rehabilitation Center

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2011

<u>* New Hampshire</u>	<u>Vermont</u>	<u>Maine</u>	<u>Rhode Island</u>	<u>Harbor Schools, Inc.</u>	<u>Connecticut</u>	<u>New York</u>	<u>Elimi- nations</u>	<u>Total</u>
\$ 45,570,108	\$ 2,121,498	\$ 1,379,430	\$ 748,750	\$ -	\$ 731,224	\$ 17,687,457	\$ -	\$ 68,238,467
7,905,517	456,288	176,987	157,886	-	333,347	3,374,764	(2,077,859)	10,326,930
1,844,237	19,635	25,596	22,499	-	77,577	674,979	-	2,664,523
595,244	18,928	6,736	5,399	-	37,196	117,410	-	780,913
97,433	1,446	3,955	2,792	-	3,696	42,362	-	151,684
2,010,147	61,158	151,816	64,283	-	228,987	1,325,452	-	3,841,843
102,428	3,779	3,481	6,659	-	6,189	37,539	-	160,075
2,134,911	106,763	17,079	36,079	-	24,994	227,086	(7,114)	2,539,798
274,534	34,976	3,146	8,820	-	4,757	217,978	-	544,211
718,567	130,056	106	34	-	-	97,037	-	945,800
18,919	384	2,021	881	-	3,806	6,906	-	32,917
445,737	21,030	15,224	22,282	-	10,068	110,291	-	624,632
104,477	1,885	2,628	563	-	1,623	34,829	-	146,005
793,231	-	-	-	-	115,089	60,343	-	968,663
383,584	(2)	(26,362)	(18,108)	-	58	(19,000)	-	320,170
<u>1,215,152</u>	<u>2,405</u>	<u>6,097</u>	<u>3,053</u>	<u>-</u>	<u>194,595</u>	<u>218,490</u>	<u>-</u>	<u>1,639,792</u>
<u>\$ 64,214,226</u>	<u>\$ 2,980,229</u>	<u>\$ 1,767,940</u>	<u>\$ 1,061,872</u>	<u>\$ -</u>	<u>\$ 1,773,206</u>	<u>\$ 24,213,923</u>	<u>\$ (2,084,973)</u>	<u>\$ 93,926,423</u>

ial Transit Service, Inc., and Manchester Alcoholism Rehabilitation Center

Easter Seals New Hampshire

MISSION STATEMENT

Easter Seals provides exceptional services to ensure that all people with disabilities or special needs and their families have equal opportunities to live, learn, work and play in their communities.

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services
Division for Children, Youth and Families

Agency Name: Easter Seals New Hampshire, Inc

Name of Bureau/Section: After Hours Information & Referral Svcs

BUDGET PERIOD:		7/1/13 - 6/30/15	
Name & Title Key Administrative Personnel	Annual Salary Of Key Administrative Personnel	Percentage of Salary Paid By Contract	Total Salary Amount Paid By Contract
Larry Gammon, President & CEO	\$352,852	0.00%	\$0.00
Elin Treanor, Chief Operating Officer & CFO	\$240,000	0.00%	\$0.00
Tina Sharby, Chief Human Resources Officer	\$140,000	0.00%	\$0.00
Dorothy Tuttle, Sr VP Program Svcs	\$126,000	0.00%	\$0.00
John DeVos, Assistant to COO	\$81,370	10.00%	\$8,137.00
		0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$8,137.00

Key Administrative Personnel are top-level agency leadership (President, Executive Director, CEO, CFO, etc), and individuals directly involved in operating and managing the program (project director, program manager, etc.). These personnel **MUST** be listed, even if no salary is paid from the contract. Provide their name, title, annual salary and percentage of annual salary paid from agreement.

DONNA KEEFE

██████████
MANCHESTER, NH 03104
██████████
██████████

EDUCATION

Trinity High School, Manchester, NH 1971
Springfield College - BS Human Services 1995

WORK EXPERIENCE

2005 TO Present DCYF After Hours On CALL Emergency Line
Respond to emergency calls from NH police departments, hospitals and DCYF Area Administrators. Position requires having knowledge of NH's child placement regulations/requirements.

1995 to Present Easter Seals NH
Begin position as the Intake Coordinator for the ISO Foster Care Program controlling admissions with an average census of 25 foster children. I was on the rotation for the Easter Seals Administrative On Call Emergency Line. As the programs evolved, I assumed the role of Intake Coordinator for the growing number of group homes in addition to the ISO Program. I was promoted to Director of Admissions as the Easter Seals Residential Services grew to a monthly census of 120 children between all the residential programs. We currently have a census of 155 children. In this role I am responsible to manage the admissions and transitions between programs as well as the final discharges from Easter Seals. I also oversee the monthly billing for all these client and manage the current and archived files. I implemented bi-monthly Referral Meetings in which 12 Clinical Directors attend to discuss the incoming referrals and projected discharges. Referrals come from many different states and agencies which requires knowledge of their state and agency placement requirements/laws. I supervise 4 positions within the Admissions Office and report to 3 Vice Presidents.

1992 - 1995 City of Manchester NH School Department
Served as liaison between team members - parents, teachers, administrators and students. I was responsible to implementing procedures to guide special education pupils back into the traditional classroom. Work closely with low income families at the inner city schools.

1988 - 1992 SERESC - Birchwood School High School
Aided in developing class curriculums in an alternative setting for the Seriously Emotionally Disturbed adolescent. Taught classes under supervision of teachers, organized field trips and participated in all goal oriented programs.

1984 - 1988 YWCA - Manchester, NH
Developed aerobic programs on and off site for local business'. In addition, I taught aerobics for cardiac patients at the Elliot Hospital Cardiac Center.

Awards

1997 - Easter Seals **President's Meritorious Award** for outstanding service by an employee.

2000 - Easter Seals NH, VT, NY, **Employee of the Year** - Chosen from 1,200 employee's.

2003 - Easter Seals **Service First Award**

2005 - **State of NH DCYF/DJJS Directors Award**

JOYCE L. CURRIER

DERRY, NEW HAMPSHIRE 03038

Education B.S. Degree in Behavioral Science 1996 - 1998

College For Lifelong Learning, Manchester, NH

Magna Cum Laude

Award: Academic Challenge Award, 1998

A.S. Degree in Liberal Arts 1978 – 1980

Emmanuel College, Boston, MA

2005 to Present DCYF After Hours On-Call Emergency Line

Respond to emergency calls from NH police departments, hospitals and DCYF Area Administrators. Position requires having knowledge of NH's child placement regulations/requirements.

2000 to Present Easter Seals NH

Begin position as ISO Foster Care Case Manager. In 2005, transitioned to position of Admissions Intake Coordinator for the group homes in addition to the ISO program. Currently have a census of 155 children with referrals coming from different states and agencies. In this role, I am responsible for admissions and transitions between programs.

1998 – 2000 Emerson Hospital, Concord, MA

Emergency room consults to identify appropriate plans of care. Responsible for developing direct care for psychiatric and addiction patients of varying ages utilizing components of the nursing process (assessment, planning, implementation and evaluation) in designing and recording a plan of care. Participating in interdisciplinary rounds/case conferences in order to promote continuity of care. Served as a patient advocate coordinating a teaching plan along with other health team members, for the patient and family. Utilized appropriate channels of communication to resolve conflict.

1996- 1998 College For Lifelong Learning, Manchester, NH

Responsible for all functions of the office: registration of students, facility management, resolve problem areas, maintain files, administer company policies, answer telephone inquires and clerical support.

TERESA KIELLY-FORREST

BEDFORD, NH 03110

Qualifications: I currently have 24 years of experience counseling special needs adolescents in various settings such as hospitals, group homes and as a foster parent. In addition, I have also worked in a school setting working with the at risk, EH, population.

Work Experience:

- 2005 - Present: **DCYF After Hours On Call Emergency Line**
Respond to emergency calls from NH police departments, hospitals and DCYF Area Administrators. Position requires having knowledge of NH's child placement regulations/requirements.
- 2005 - Present: **Easter Seals Zachary Road -Coordinator of Residential Services - Psych Units**
Supervisor for 45 case managers, direct care workers for 4 psych units. Oversee and manage day to day treatment/operations for 50 intensive, psychiatric clients.
- 2003 - 2005 **Coordinator/Manager- Easter Seals Boys Group Home**
Managed a 16 bed group home. Supervised a staff of 16 including clinical, case management and direct care workers. Self managed the On Call System.
- 2002 - 2003 **Easter Seals Zachary Road Building Manager**
Responsible for hiring and supervising all staff at Zachary Road.
- 2001 - 2002 **Easter Seals Zachary Road Girls Psych Unit Supervisor**
Direct Care Supervisor
- 2000 - 2001 **Rochester, NH School District - Teacher's assistant**
- 1993 - 2000 **Foster Parent for Easter Seals ISO Program**
- 1987 - 1993 **Easter Seals House Manager** for Girls Group Home
- 1989 - 1991 **Psychiatric Tech - Lake Shore Hospital - D&A**

1984 - 1987 **Activity Director**, Beverly Manor Skilled Nursing Facility, Boulder, Co.

EDUCATION:

Jan. 1989 - June 1990 Springfield College, Manchester, NH
Human Services/Counseling

Sept 1986 - Aug. 1987 Denver Metro College, Denver Co.
Social Work

Jan 1986 - June 1986 Front Range Community College, Westminster, Co
Liberal Arts

References available upon request.

Chairman

Jim Bee, CIMA
Senior Vice President
Morgan Stanley Smith Barney
28 State Street
Boston, MA
tel: 626-9764
jlmbec@aol.com

Past Chairman

Richard Rawlings, Mng.Prtmr (Ret)
Northwestern Mutual Life
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Vice Chairman

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Dennis Brown



Chairman - NY

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Chairman - Farnum Center

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Vice Chairman - VT

Sally Garmon



Chairman - Webster Place

Charles Clarkson,



Lori Levesque, Supervisor
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Barry LaBombarde



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Michael Salter



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Dennis Beaulieu



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Sue MacDermott

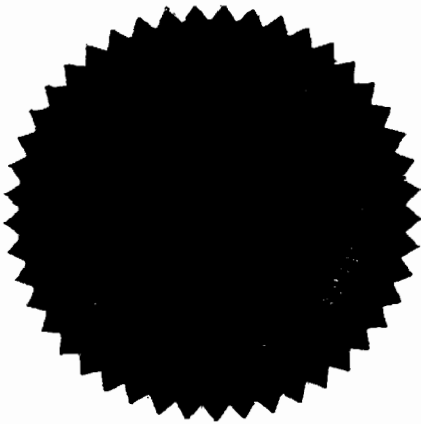
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(non voting member)
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Sheehan Phinney Bass + Green
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Manchester NH 03101
tel: 627-8110
bcook@sheehan.com

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 Easter Seals New Hampshire, Inc. is a New Hampshire nonprofit corporation formed November 6, 1967. 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 25th day of January A.D. 2013

William M. Gardner
Secretary of State

DESCRIPTIONS (Continued from Page 1)

Waiver of Subrogation status to the Certificate holder, only when there is a written contract or written agreement between the named Insured and the certificate holder that requires such status, and only with regard to the above referenced on behalf of the named Insured. The General Liability policy contains a special endorsement with "Primary and Non-Contributory" wording.