



STATE OF NEW HAMPSHIRE
 DEPARTMENT OF HEALTH AND HUMAN SERVICES
 DIVISION OF COMMUNITY BASED CARE SERVICES

129 PLEASANT STREET, CONCORD, NH 03301
 603-271-9520 1-800-852-3345 Ext. 9520
 Fax: 603-271-4643 TDD Access: 1-800-735-2964

Nicholas A. Toumpas
 Commissioner

Diane Langley
 Director

September 12, 2014

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

*100% Federal funds
 Sole source*

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Community Based Care Services to enter into a **sole source** amendment to an existing agreement with Easter Seals New Hampshire, Inc. (Vendor # 177204), 555 Auburn Street, Manchester, NH 03103, for the provision of a Military Veteran Access to No Wrong Door program that includes a provision for providing and coordinating cross training to other ServiceLink Resource Centers, Civilian Providers, and Military-Veteran Providers statewide in order to ensure continuation of community-based services to veterans, service members and their families, by increasing the price limitation by \$500,000 from \$697,547 to \$1,197,547 effective upon Governor and Executive Council approval, with no change to the end date of June 30, 2015.

The original contract was approved by the Governor and Executive Council on December 20, 2013 (Item #62) and subsequently amended on June 4, 2014 (Item #59).

Funds are available in the following accounts for State Fiscal Year 2015.
(See attachment for Fiscal Details.)

EXPLANATION

This request is **sole source** because it increases the original contract amount by more than ten percent (10%). This sole source amendment increases funding for services that provide and/or coordinate military culture training; core competence training; and technical assistance to ServiceLink Resource Centers. Additionally, the Contractor will coordinate statewide training to civilian service providers and work to develop a partnership with the federal contractor, ProForce, that is responsible for the new National Guard Care Coordination Program.

ProForce is a Service-Disabled Veteran-Owned Small Business that has a strong background in case management, as well as a history in partnering with the Veterans' Administration and with the National Guard Bureau's Child & Youth Programs nationwide. The

Contractor will partner with ProForce in order to create a safety net for individuals who are found ineligible for care coordination through ProForce. Additionally, the Contractor will work with ProForce by providing information, training, and access to long-term support services for military personnel and their families pre, during and post deployment who are eligible for case management services through ProForce.

The Contractor is one (1) of eight (8) ServiceLink Resource Center contractors. In addition to providing services through the ServiceLink Resource Center, the Contractor has developed, piloted and implemented the statewide Deployment Cycle Support Care Coordination Program since 2008. The Deployment Cycle Support Care Coordination Program builds a community-based support system, which integrates current veteran services with existing service delivery systems while allowing local access for a full-spectrum of care. The Deployment Cycle Support Care Coordination Program supports families and military members pre, during and post deployment. Crisis prevention for families and military members is addressed through early development of care plans by professional care coordinators. The care plan is a risk assessment tool used to organize support services early, thereby reducing the overall number of emergency situations for service members and families involved in the war effort. Care coordinators proactively address care plan needs and refer individuals to community-based care services or provide further treatment. The Deployment Cycle Support Care Coordination Program, in partnership with the New Hampshire National Guard and the Department, will be replaced with a federally contracted care coordination program administered by ProForce, effective October 1, 2014.

In order to ensure a smooth transition as well as a strong and integrated safety net, the Contractor will partner with the New Hampshire National Guard, ServiceLink and ProForce to ensure that all programs have a full spectrum of understanding of military culture, as well as the services available to military personnel, veterans and their families. The Contractor will also coordinate statewide core competency training sessions for civilian providers, which include Community Mental Health Centers, hospitals, and private practitioners.

The Contractor will provide services through the Department's No Wrong Door single entry process system that educates, informs and guides consumers and stakeholders regarding available Medicaid community long-term services and supports, some of which are listed below.

- Evidenced Based Care Transitions

This service increases the options counseling and person centered transitions support services by directly working with individuals who are in hospitals, assisting them in transitioning from the hospital setting back into the community.

- Medicare Improvements for Patients and Providers Act

This service enhances counseling to Medicare Beneficiaries by directly working with low income individuals to help them reduce their cost share portion of healthcare premiums and to assist them in enrolling in these cost savings Medicare programs.

- Veterans Directed Home and Community Based Program

This service expands the service coordination offered to veterans and their families, by finding respite and supplemental services to help them stay in the community.

The long-term support services listed above can be cumbersome to navigate. The Contractor will assist in establishing an integrated referral process to seamlessly transition military personnel and their families from the Deployment Cycle Support Care Coordination Program to the newly established National Guard' care coordination program, administered by ProForce, or to ServiceLink. The Contractor will assist with coordination of services for veterans of all eras through the No Wrong Door system to ensure service members, veterans and their families have access to long term support services, and critical ancillary services related to employment, housing, counseling, suicide prevention and other critical needs.

This Contractor has established services that assist military personnel and families affected by deployment, such as financial assistance through the Veterans Count program. The Contractor's collaborative partnerships, experience and military cultural competence is unique due to its development and implementation of the Deployment Cycle Support Care Coordination Program. The Contractor's experience gained through the Deployment Cycle Support Care Coordination Program uniquely positions this Contractor to be able to provide cross training to ServiceLink Resource Centers and ProForce, as well as to be able to coordinate statewide training for civilian providers.

The Contractor will work with existing and new programs to help ensure a sustainable framework for access to long term support services by New Hampshire service members, veterans and their families by educating ProForce care coordinators in long term support services available in New Hampshire through community-based and other services unique to this State. Likewise, because the Contractor is a ServiceLink Resource Center provider, this Contractor will be equipped to educate other ServiceLink Resource Center providers on the military culture unique to service members, veterans and their families. The Contractor will also coordinate statewide training and training supports to civilian providers to further ensure integrated access to long term support services for this population.

The Contractor will create outreach materials and resource guides in partnership with ServiceLink to ensure public awareness and access of Long Term Support Services available in New Hampshire. Ensuring access to the resources available in different arenas will assist in educating the public on services available to military personnel and their families.

Should the Governor and Executive Council determine to not approve this request, over one hundred (100) Deployment Cycle Support Care Coordination Program cases no longer eligible for services under the new federal program could stop receiving care coordination for long term support services, which would negatively impact the citizens of New Hampshire, especially military personnel, veterans and their families. Further, future service members, veterans and their families would be unable to have access to these critical services available through a comprehensive safety net. Moreover, without providing and coordinating statewide training, providers would lack the full spectrum of knowledge regarding military/veteran issues; New Hampshire-specific community-based services; and New Hampshire-specific long term support services available through the No Wrong Door single entry process system. The indirect impact of loss of supports could be devastating to military and civilian citizens statewide.

Area served: Statewide

Source of funds: 72.98% Federal Funds
27.02% General Funds

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

Respectfully submitted,



Sheri L. Rockburn
Chief Financial Officer

Approved by:



Nicholas A. Toumpas
Commissioner

Fiscal Details for Easter Seals New Hampshire Inc. (Vendor #177204)

05-95-48-481010-9565 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: ELDERLY AND ADULT SERVICES, GRANTS TO LOCALS, SERVICELINK (100% General Funds)

Fiscal Year	Class/Object	Class Title	Activity Code	Current Modified Amount	Increase/Decrease Amount	Revised Modified Amount
2014	102-500734	Contracts for Program Svcs		\$43,850.80	\$0	\$43,850.80
2015	102-500734	Contracts for Program Svcs		\$85,235.23	\$0	\$85,235.23
		Subtotal		\$129,086.03	\$0	\$129,086.03

05-95-48-481510-6180 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: ELDERLY AND ADULT SERVICES, MEDICAL SERVICES, LTC ASSESSMENT AND COUNSELING (50% Federal Funds –CFDA# 93.778 Grant # , 50% General Funds)

Fiscal Year	Class/Object	Class Title	Activity Code	Current Modified Amount	Increase/Decrease Amount	Revised Modified Amount
2014	550-500398	Assessment & Counseling	48130280	\$ 94,992.73	\$0	\$ 94,992.73
2015	550-500398	Assessment & Counseling	48130280	\$219,997.83	\$0	\$219,997.83
		Subtotal		\$314,990.56	\$0	\$314,990.56

05-95-48-481510-9255 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: ELDERLY AND ADULT SERVICES, GRANTS TO LOCALS, SOCIAL SERVICE BLOCK GRANT (44.31% Federal Funds – CFDA# 93.667 – G-1301NHSOSR, 55.69% General Funds)

Fiscal Year	Class/Object	Class Title	Activity Code	Current Modified Amount	Increase/Decrease Amount	Revised Modified Amount
2014	545-500387	I & R Contracts	48130205	\$14,053.23	\$0	\$14,053.23
2015	545-500387	I & R Contracts	48130205	\$24,838.66	\$0	\$24,838.66
		Subtotal		\$38,891.89	\$0	\$38,891.89

Fiscal Details for Easter Seals New Hampshire Inc. (Vendor #177204)

05-95-48-481510-7872 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: ELDERLY AND ADULT SERVICES, GRANTS TO LOCALS, ADM ON AGING GRANTS (92% Federal Funds –CFDA# 93.052, Grant # 14AANHT3FC, 8% General Funds)

Fiscal Year	Class/Object	Class Title	Activity Code	Current Modified Amount	Increase/ Decrease Amount	Revised Modified Amount
2014	072-500575	Grants - Federal	48130293	\$33,783.79	\$0	\$33,783.79
2014	570-500928	Family Caregiver	48130316	\$19,587.04	\$0	\$19,587.04
2015	072-500575	Grants - Federal	48130293	\$40,329.29	\$0	\$40,329.29
2015	570-500928	Family Caregiver	48130316	\$38,621.06	\$0	\$38,621.06
		Subtotal		\$132,321.18	\$0	\$132,321.18

05-95-48-481010-8925 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: ELDERLY AND ADULT SERVICES, GRANTS TO LOCALS, MEDICAL SERVICE GRANTS (100% Federal Funds – CFDA# 93.779, Grant # 1N0CMS020220)

Fiscal Year	Class/Object	Class Title	Activity Code	Current Modified Amount	Increase/ Decrease Amount	Revised Modified Amount
2014	102-500731	Contracts for Program Services	48130461	\$14,911.91	\$0	\$14,911.91
2015	102-500731	Contracts for Program Services	48130461	\$25,948.65	\$0	\$25,948.65
		Subtotal		\$40,860.56	\$0	\$40,860.56

05-95-48-481010-3317 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: ELDERLY AND ADULT SERVICES, GRANTS TO LOCALS, ADMIN ON AGING SVCS GRANT-SMPP (75% Federal Funds – CFDA# 93.048 Grant# 90MP0176, 25% General Funds)

Fiscal Year	Class/Object	Class Title	Activity Code	Current Modified Amount	Increase/ Decrease Amount	Revised Modified Amount
2014	102-500731	Contracts for Program Services	48130207	\$8,499.81	\$0	\$8,499.81
2015	102-500731	Contracts for Program Services	48130207	\$10,396.97	\$0	\$10,396.97
		Subtotal		\$18,896.78	\$0	\$18,896.78

Fiscal Details for Easter Seals New Hampshire Inc. (Vendor #177204)

05-95-48-481010-8888 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: ELDERLY AND ADULT SERVICES, GRANTS TO LOCALS, ADMIN ON AGING SVCS GRANT-MIPPA (100% Federal Funds – CFDA # 93.071, Grant# 13AANHMAAA, 13AANHMADR, IX0CMS331283)

Fiscal Year	Class/Object	Class Title	Activity Code	Current Modified Amount	Increase/Decrease Amount	Revised Modified Amount
2014	102-500731	Contracts for Program Services	48461012 48461002 48461003	\$13,500	\$0	\$13,000
2015	102-500731	Contracts for Program Services	48461012 48461002 48461003	\$ 9,000	\$0	\$ 9,000
		Subtotal		\$22,500	\$0	\$22,500

05-95-49-490510-29850000-102-500731 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: DIV OF COMM BASED SVC, COMMUNITY BASED CARE SERVICES, BALANCE INCENTIVE PROGRAM BIP, (100% Federal Funds- CFDA# 93.778, FAIN# 05-1405NHBIPP)

Fiscal Year	Class/Object	Class Title	Activity Code	Current Modified Amount	Increase/Decrease Amount	Revised Modified Amount
2015	102-500731	Contracts for Program Services	49053316	\$0	\$500,000	\$500,000
		Subtotal		\$0	\$0	\$500,000
		Total		\$697,547	\$500,000	\$1,197,547



**State of New Hampshire
Department of Health and Human Services
Amendment #2 to the ServiceLink Program Contract**

This 2st Amendment to the ServiceLink Program contract (hereinafter referred to as "Amendment #2") dated this 1st day of October 2014, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Easter Seals New Hampshire, Inc. (hereinafter referred to as "the Contractor"), a nonprofit corporation with a place of business at 555 Auburn Street, Manchester, NH 03103.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on December 20, 2013, and amended by an agreement (Amendment #1 to the Contract) approved on June 4, 2014 (Item #59), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to the General Provisions, Paragraph 18, the State may amend the agreement by written instrument of the parties upon approval of the Governor and Executive Council; and

WHEREAS the parties agree to revise the scope of services to be performed and increase the price limitation; and

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

To amend as follows:

- 1) Form P-37, General Provisions, Block 1.8, to read:
\$1,197,547
- 2) Delete Exhibit A-1, Scope of Services and replace with Amendment #2 – Exhibit A-1, Scope of Services.
- 3) Delete Exhibit B Amendment #1, Method and Conditions Precedent to Payment and replace with Amendment #2 – Exhibit B, Method and Conditions Precedent to Payment.
- 4) Add Amendment #2 - Exhibit B-14A, Budget for Military Veteran Access to No Wrong Door.

New Hampshire Department of Health and Humans Services
New Hampshire ServiceLink Program



This amendment shall be effective upon the date of Governor and Executive Council approval.

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

9/17/14
Date

State of New Hampshire
Department of Health and Human Services

Sheri L. Rockburn
Sheri L. Rockburn
Chief Financial Officer

Easter Seals of New Hampshire, Inc.

9/11/2014
Date

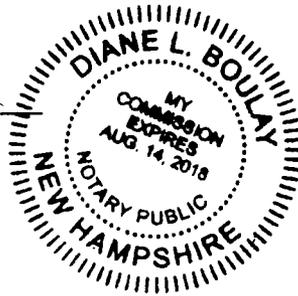
Elin Medina
NAME Elin Medina
TITLE CTO

Acknowledgement:

State of New Hampshire County of Hillsborough on 9/11/14, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Diane L. Boulay
Name and Title of Notary or Justice of the Peace



New Hampshire Department of Health and Humans Services
New Hampshire ServiceLink Program



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

OFFICE OF THE ATTORNEY GENERAL

9/10/14
Date

Name: Megan A. Staple
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:



Scope of Services

1. The Contractor shall provide Veterans the opportunity to receive home and community based services in a consumer directed fashion that enables them to avoid nursing home placement and to continue to live in their homes and communities.
 - 1.1. Develop and implement a VDHCBS program to provide the services described in paragraph 1.2, in the following ways:
 - 1.1.1. Enter into a provider agreement with the White River Junction Veteran's Administration Medical Center (WRJ VAMC), Vermont and/or the Manchester Veteran's Administration Medical Center (Manchester VAMC). The agreement is to be based on the Memorandum of Agreement between the Department and the WRJ and/or Manchester VAMC. Under the Agreement, the contractor shall be responsible for service coordination in paragraph 1.2.
 - 1.1.2. Establish an advisory group to oversee the development, implementation of the program and provide ongoing feedback for continuous improvement of the program and services. Membership is to include representation from key community resources, local Veterans' organizations, Veterans and families of Veterans utilizing the program, and the public.
 - 1.1.3. Establish a budget for the costs to develop and implement the program. The Department provides funding for the development and implementation limited to the following:
 - 1.1.3.1. Staff development and training: This includes costs of trainings for staff, recruiting and hiring new staff, costs of salaries for newly hired staff during development and implementation of the program.
 - 1.1.3.2. Travel costs associated with capacity building: Staff mileage to training sites, staff mileage related to providing education and outreach to the public about the program, assisting the Veteran in getting services and in identifying service providers and services, and development and implementation of the advisory committee.
 - 1.1.3.3. Development and implementation of business processes related to the VD-HCBS Program: computer equipment, telephone expenses, and office furniture for new staff.
 - 1.1.3.4. Once the program has been established, the VAMC will, under their agreement with the Contractor, reimburse the Contractor for the administration of the program and the Veteran's services, in paragraph 1.2.
 - 1.1.4. Provide or contract with an agency to provide financial management services in accordance with the roles and responsibilities of an agency with choice model.
 - 1.1.5. Provide a minimum of a .5 FTE Veterans Options counselor to provide counseling, assessment, service coordination, and assistance to Veterans participating in the program in developing and managing an individual service budget.



- 1.1.6. Ensure that key staffs such as the SLRC Program Director, site supervisors, caregiver specialists, and options counselors have been trained to provide initial start-up and collaborative support for the program.
- 1.1.7. Within ninety (90) days from the effective date of the contract, the contractor will complete a Program orientation and participate in a readiness review by the Department, in accordance with the Program/Policy Guide.
- 1.1.8. Reviews will be conducted by monthly face to face meetings, conference calls and webinars.
- 1.2. Have the program infrastructure in place within ninety (90) days from the effective date of the contract and is actively providing options counseling and assisting Veterans in arranging consumer directed services by:
 - 1.2.1. Maintain the provider agreement in paragraph 1.1 and the contractor shall be responsible for service coordination for the Veteran by:
 - 1.2.1.1. Accept referrals of eligible Veterans from at least one of the VAMC in paragraph 1.1. The Veterans Administration is responsible for determining the eligibility of Veterans for the program and for authorizing a budget to buy long term supports and services for the Veteran. The Veterans Administration will refer eligible Veterans with an authorized flexible service budget to the contractor.
 - 1.2.1.2. Provide options counseling to Veterans and their families as they determine how to use their flexible home and community based services budget to meet their long term supports and service needs, goals, and preferences. At a minimum, options counseling shall include an assessment, plan of care and identify type of services to meet the needs to the Veteran to remain in the home and community. The Contractor shall submit the Veteran's plans of care with types of services to the VAMC for approval before the Veteran receives services. The Contractor shall comply with the VAMC and the Department's program and policies guide for linking Veterans with needed Long term services and supports and making mutual referrals.
 - 1.2.1.3. Provide or maintain the contract with an agency to provide financial management services in accordance with the roles and responsibilities of an agency with choice model.
 - 1.2.1.4. Seek reimbursements for service coordination through the VAMC. Once the program has been established, the VAMC will, under their agreement with the Contractor, reimburse the Contractor for the administration of the program and the Veteran's services.
 - 1.2.2. Assure the following:
 - 1.2.2.1. All Veterans referred to the program from the VAMCs are contacted within 3 business days of the referral to ServiceLink contractor to set up a date for assessment.
 - 1.2.2.2. 100% of services provided are based on the needs and preferences of the participating Veteran.

ECT

9/11/2014



Amendment #2 - Exhibit A-1

- 1.2.2.3. Veterans enrolled in the program decide what mix of goods and services will best meet their needs for long term care support.
- 1.2.2.4. Of the Veterans served, there will be a 90 % or better, consumer satisfaction rate.
- 1.2.3. Comply with procedures for reporting requirements defined by DHHS.
- 1.2.4. Provide this service to individuals located in the cities and towns in the geographic area of Hillsborough (excluding the towns of Western Hillsborough defined as: Antrim, Bennington, Francestown, Greenfield, Greenville, Hancock, Mason, New Ipswich, Peterborough, Sharon, Temple, and Windsor).
- 1.2.5. Enter contact data into the Refer 7 data base to increase the amount of resources available within a geographic area in Section 1.2.4 to serve Veterans.
- 1.2.6. Assure that documentation required by both the Department and the VAMC is kept current and submitted according to the program and policy guide.
- 1.3. Participate in continuous process improvement activities with the Department and/or the VAMC to evaluate and improve the quality of the program and its policies and processes by attending monthly meetings, trainings, and conference calls.
2. The Contractor shall provide Medicare Improvements for Patients and Providers Act (MIPPA) services as follows:
 - 2.1. Provide MIPPA services to assist Medicare beneficiaries to:
 - 2.1.1. Reduce Medicare cost share expenses for people with limited income by enrolling beneficiaries into the low-income subsidy (LIS) and Medicare Savings Programs (MSP); and enrolling beneficiaries in Medicare Part D prescription coverage.
 - 2.1.2. Increase wellness and prevent illnesses among all Medicare beneficiaries by increasing and promoting awareness of Medicare's preventive and screening services.
 - 2.2. Promote the Medicare programs described in Section 2.1 by conducting outreach and education to increase the number of people enrolled into these programs. To assist the Department in determining the outreach and education strategies to implement in the specific geographic area, the contractor shall complete assessments and analysis to determine the effectiveness of informing Medicare beneficiaries and having them enroll in the programs. Specifically the contractor shall:
 - 2.2.1. Complete an assessment of past outreach activities that targeted low income Medicare beneficiaries and those people who may not have physical access to ServiceLink contractor offices, internet access, or access to a telephone. The Department will provide the data to the contractor for the specific geographic area list above. Data will include existing and past outreach and education materials and strategies used in the specific geographic area. The contractor shall report the findings to the Department.
 - 2.2.2. Complete an analysis of Social Security and Centers for Medicaid and Medicare Services statistics to identify target areas for outreach. The Department will provide the data to the contractor for the specific geographic area listed above. The contractor shall report the findings to the Department.



- 2.2.3. Assess current and past partnerships with other agencies and community services.
- 2.3. The Department will review the contractor's results of the assessment and analysis described in Section 2.2 and will determine the best outreach approaches, target population and geographic area for the contractor to conduct outreach, education and assistance to meet the goals in Section 2.7 Performance Measures. Outreach and education consists of the following, but not limited to:
 - 2.3.1. Promote the availability of Medicare preventive services such as wellness screenings and flu shots to Medicare beneficiaries through the distribution of promotional materials developed by CMS and BEAS;
 - 2.3.2. Set and implement calendar for outreach campaigns (2 per month for each ADRC): (1) Mail introductory letters to town offices, housing sites, home health agencies, Parish Nurses, public libraries, hospital public affair managers, pharmacies, and medical practices; (2) Do follow-up contacts and (3) Arrange face to face meetings.
 - 2.3.3. Develop contact list of all fitness centers, health clubs, senior-based websites, AARP local Chapters, churches, senior and community centers, meal sites, and public libraries. The contractor shall request to partner with these contacts to communicate awareness of Medicare Programs listed in Section 2.1
 - 2.3.4. Work in consultation with NH SHIP Director and the other ServiceLink contractors to set up MIPPA Email list Serve for State/agency leads – Client Services, Medicaid Eligibility, Fuel Assistance, hospital charitable offices, Minority Services, Sight and Hearing Impaired groups –to disseminate LIS/MSP objectives. The developed email List Serve will be used to communicate awareness of Medicare Programs listed in Section 2.1.
 - 2.3.5. Develop a media list for the geographic area to be covered – radio stations, newspapers, agency/hospital web-based newsletters and other community websites to share LIS/MSP and Preventive benefits. The media list will be used to implement advertising activities to communicate awareness of Medicare Programs listed in Section 2.1.
 - 2.3.6. Write scripts for Radio, newspapers, and public service announcements. The Department shall approve them prior to publication.
 - 2.3.7. The contractor will be responsible for purchasing the media in their local area.
- 2.4. Insure staffing capacity to insure a demonstrated increase and enhanced beneficiary access to a counselor workforce that is trained and fully equipped and proficient in providing the full range of services, including enrollment assistance in appropriate benefit plans and continued enrollment assistance in prescription drug coverage as described in section 4.7.3 of the ServiceLink Contract.
- 2.5. Complying with procedures for reporting requirements defined by DHHS.
- 2.6. Provide service to individuals located in the cities and towns in the geographic area of Hillsborough (excluding the towns of Western Hillsborough defined as: Antrim, Bennington, Frankestown, Greenfield, Greenville, Hancock, Mason, New Ipswich, Peterborough, Sharon, Temple, and Windsor).
- 2.7. Performance Measures :

Easter Seals New Hampshire, Inc.

Contractor Initials

ET

9/11/2014



The Contractor will be required to meet or exceed the performance measures described below:

Performance Measure	How it will be measured
Performance Measure 1: Increasing the number of individuals enrolled in: LIS, MSP, and Medicare Part D: Hillsborough County: 159	Work plan and MIPPA monthly Outreach Activities and Enrollment reports sent to DHHS by 10th of each month.
Performance Measure 2: Implementation of Medicare Preventive Services Promotion activities.	Work plan and MIPPA monthly Outreach Activities and Enrollment and SHIP reports, (client contacts/public and media activities).
Performance Measure 3: Effectively advertise, promote, and conduct an educational outreach and/or enrollment event activity at least 1-2 times per month.	Work plan and MIPPA monthly report and SHIP reports to DHHS.
Performance Measure 4: Demonstrate partnership and incentive programs and evaluate effectiveness and lessons learned	Work plan, MIPPA monthly, SHIP reports, and Partnership listing included in CMS SHIP Mid-Term and annual Performance Grant application to DHHS

3. The Contractor shall develop and implement a sustainable safety net of services for Service Members/Veterans/Families (SMVF) cases to ensure all NH SMVF can receive culturally competent assistance and comprehensive service coordination in order to gain long-term services and supports (LTSS), regardless of eligibility for other government-funded care coordination programs. All activities, programs, training materials and care coordination work are subject to Department review and approval. The Contractor shall:

3.1. Collaborate with the Department to ensure coordination and integration of Balanced Incentive Program (BIP) and the No Wrong Door system to:

3.1.1. Reduce unnecessary institutional care.

3.1.2. Help ensure those in need of Medicaid long-term services have access to alternatives that are less restrictive at a lower-cost.

3.2. Provide and/or coordinate statewide training that increases military cultural and clinical competence.

3.3. Collaborate with ServiceLink providers to streamline the application, assessment and eligibility process for LTSS to SMVF case members. Collaboration shall include, but not be limited to:

3.3.1. Functioning as a No Wrong Door partner to ServiceLink providers.

3.3.2. Providing technical assistance to ServiceLink providers statewide, as needed.

3.3.3. Assisting ServiceLink providers with care coordination and providing direct support for cases with intense clinical needs.

3.3.4. Providing military culture and core competency training to ServiceLink providers to ensure a clear understanding of SMVF pre, during and post deployment needs, as well as the needs of older veterans.

3.4. Conduct ServiceLink provider meetings, statewide. The Contractor shall:

3.4.1. Coordinate and facilitate a statewide project kickoff meeting.

Easter Seals New Hampshire, Inc.

Contractor Initials ES



- 3.4.2. Conduct integrated meetings with each ServiceLink site to address:
 - 3.4.2.1. Current SMVF outreach/engagement activities.
 - 3.4.2.2. Military cultural awareness.
 - 3.4.2.3. Other issues relevant to the local SMVF and provider communities.
- 3.5. Conduct meetings regarding No Wrong Door partnerships and training needs with organizations that include, but are not limited to:
 - 3.5.1. VA, Vet Center and Veteran Service Organizations.
 - 3.5.2. National Guard and Reserves.
 - 3.5.3. State Office of Veterans Services.
 - 3.5.4. Community Mental Health Centers, hospitals, and private practitioners.
- 3.6. Attend cross training activities presented by ServiceLink in order to:
 - 3.6.1. Provide preliminary screening for LTSS and person-centered counseling.
 - 3.6.2. Train other SMVF providers, including the ProForce team carrying out the NH National Guard Care Coordination Program, in the LTSS system and how to effectively partner with other providers and ServiceLink.
- 3.7. Provide sufficient Care Coordinator staff to provide:
 - 3.7.1. Care coordination and collaborative casework with ServiceLink providers.
 - 3.7.2. Referrals for SMVF to community-based services with a seamless transition.
 - 3.7.3. Emergency assistance to SMVF.
 - 3.7.4. Safety net care coordination and crisis intervention for SMVF no longer eligible for services through the National Guard's Care Coordination Program (ProForce).
 - 3.7.5. A liaison who shall work to ensure seamless case transition to ProForce.
 - 3.7.6. Mentors to ProForce Care Coordinators to ensure training and supports are available, as needed, during the transition period.
- 3.8. Coordinate resources to meet immediate SMVF needs through Veterans Count to:
 - 3.8.1. Ensure emergency financial needs are met, including but not limited to, food, housing, transportation, utilities, and other critical needs defined in Veterans Count policies.
 - 3.8.2. Support SMVF of all eras to engage in effective planning and service coordination for LTSS.
- 3.9. Create outreach materials and resource guides in partnership with ServiceLink for Department approval, which shall include, but not be limited to:
 - 3.9.1. Flyers, posters and handouts to engage SMVF and SMVF providers in the No Wrong Door system.
 - 3.9.2. Web-based and social media outreach.
- 3.10. Develop and coordinate statewide delivery of training curriculum related to military culture and military competency training. The Contractor shall:

Easter Seals New Hampshire, Inc.

Contractor Initials

ES

9/11/2014



- 3.10.1. Use web-based training, as approved by the Department.
- 3.10.2. Coordinate in-person training sessions with the Department, ServiceLink, and ProForce as well as the provider community, which includes but is not limited to Community Mental Health Centers, hospitals, and private practitioners.
- 3.10.3. Coordinate training reimbursement payments with Community Mental Health Centers, hospitals and private practitioners who send staff to attend military culture and military competency training.
- 3.10.4. Market the No Wrong Door system, and related training, at all appropriate military-veteran events, forums and drills.
- 3.11. Collaborate with the Department and ServiceLink to develop SMVF-specific business rules and protocols for the No Wrong Door system. The Contractor shall:
 - 3.11.1. Draft initial policies and protocols for stakeholder review.
 - 3.11.2. Coordinate and conduct ServiceLink policy review meetings.
 - 3.11.3. Provide drafts of policies to the Department for final approval.
- 3.12. Identify providers in SMVF service systems that may be eligible to apply for Medicaid reimbursement in order to assist those providers with securing future funding.
- 3.13. Provide a monthly narrative summary report to the Department no later than the 15th of each month that specifies:
 - 3.13.1. Project accomplishments and deliverables.
 - 3.13.2. Client services provided
- 3.14. Conduct a survey of SMVF and civilian providers to assess levels of understanding, satisfaction of services provided and integration with the No Wrong Door system.
- 3.15. Provide a final report to the Department no later than thirty (30) days from the contract end date, that includes, but is not limited to:
 - 3.15.1. Clients served.
 - 3.15.2. ServiceLink cross-referrals.
 - 3.15.3. Trainings held.
 - 3.15.4. Summary of best practices established and recommendations for implementing sustainable infrastructure changes.

ET

9/11/2014



Amendment #2 - Exhibit B

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions of this Agreement for the services provided by the Contractor pursuant to Exhibit A and Exhibit A-1 Scope of Services.
2. Services are funded with funds from the New Hampshire General Funds and with federal funds made available under:

Grant #	CFDA #	Federal Agency	Grant Description
	93.778		Medicaid Grants
G-1301NHSOSR	93.667	Admin for Children & Families	Social Services Block Grant
14AANHT3FC	93.052	Admin for Community Living	NH Family Caregiver Support Title III E
90RO0028	93.517	Admin for Community Living	NH ADRC Options Counseling Enhancement Program
1NOCMS020220	93.779	Centers for Medicare & Medicaid Services	State Health Ins Assistance Program
90MP0176	93.048	Admin for Community Living	Senior Medicare Patrol Project
13AANHMAAA, 13AANHMAADR, IX0CMS331283	93.071	Admin for Community Living & Centers for Medicare & Medicaid Services	CMS LIS/MSP Outreach to Low Income Medicare Beneficiaries (MIPPA)
140SNHBIPP	93.778	Centers for Medicare & Medicaid Services	Balancing Incentive Program

3. Account Numbers in P-37 Box 1.6

Grant	State Account Number
NH State General Funds	05-95-48-481010-95650000-102-500731
Social Services Block Grant	05-95-48-481010-92550000-545-500387
Medicaid	05-95-48-481510-61800000-550-500398
NH ADRC Options Counseling Enhancement Program	05-95-48-481010-78720000-072-500575
NH Family Caregiver Support Title III E	05-95-48-481010-78720000-570-500928
Senior Medicare Patrol Project	05-95-48-481010-33170000-102-500731
State Health Insurance Assistance Program	05-95-48-481010-89250000-102-500731
CMS LIS/MSP Outreach to Low Income Medicare Beneficiaries (MIPPA)	05-95-48-481010-88880000-102-500731
Balancing Incentive Program	05-95-49-490510-29850000-102-500731



Amendment #2 - Exhibit B

4. Payment for said services shall be made as follows:

The Contractor will submit an invoice by the tenth working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The Department will supply the invoice template to the contractor; format of the invoice template will be similar to that of the contractor's approved budget (s). The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice for Contractor services provided pursuant to this Agreement. The invoice must be submitted to:

Financial Manager
Division of Community Based Care Services
Department of Health and Human Services
129 Pleasant Street, Brown Building
Concord, NH 03301

5. Payment for contracted services will be made on a line item actual cost reimbursement for allowable expenses based on budgets identified as Exhibit B-1 – B14. Each budget is specific to a time period as identified in the budget period at the top of the respective budget form. Allowable costs and expenses shall be determined by DHHS in accordance with applicable state and federal laws and regulations.
6. The Contractor shall submit to the Department the subcontractor's budget for review and approval. The Contractor shall submit to the Department copies of their invoices and the subcontractor's invoices for actual expenses that support the requests for reimbursement.
7. The Information, Referral, and Awareness Program Budgets Exhibit B-1 and B-6 Contract Share is funded by various sources as a percentage of the total as follows:
- 7.1. NH State General Funds SFY14: 47% SFY15: 49%
 - 7.2. Social Services Block Grant SFY14: 15% SFY15: 14%
 - 7.3. Medicaid SFY14: 38% SFY15: 37%
8. The Options Counseling and Person Centered Transition Support Programs Budgets Exhibit B-2 and B-7 Contract Share is funded by various sources as a percentage of the total as follows:
- 8.1. Medicaid SFY14: 64% SFY15: 88%
 - 8.2. ADRC Grant SFY14: 36% SFY15: 12%
9. Contractor will have forty-five (45) days from the end of the contract period to submit to the Department final invoices for payment. Any adjustments made to a prior invoice will need to be accompanied by supporting documentation.
10. Notwithstanding paragraph 18 of the General Provisions of this Agreement P-37, an amendment limited to Exhibit B-1 through B-14 Budgets, to adjust amounts within the budgets and within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.
11. Community Support Requirement: When the Contractor elects to provide additional funding toward the cost of the programs, then the Contractor is obligated to fund the difference between the total costs of the programs less the state's share. Contractors shall report on a monthly basis the total cost of the program for the month, the amount requested to be paid by the state and the source of funds and amount for the contractor's share.
12. The Contractor shall complete Time Sheets for staff as instructed and on forms provided by DHHS.



Amendment #2 - Exhibit B

13. Financial Reporting Requirements: The Contractor shall submit Monthly Financial Reports to DHHS upon request.
14. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Monthly Reports, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.
15. The Medicare Improvements for Patients and Providers Act (MIPPA): The funding is from the effective date of Amendment #1 to September 29, 2014.
16. Veterans Directed Home and Community Based Program: The funding is from July 1, 2014 to June 30, 2015 for the purposes of developing and implementing the program as defined in Section 1.1 and 1.3 of Exhibit A-1. Once the program is operational, the contractor shall continue providing the scope of work as defined in Section 1.2 of Exhibit A-1, without funding from the Department.

Amendment #2 Exhibit B-14A

New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Bidder/Program Name: Easter Seals New Hampshire, Inc
Budget Request for: Military Veteran Access "No Wrong Door"
Budget Period: 10/1/14-6/30/15

Line Item	Total Program Cost			Contractor Share / Match			Requested Budget to be Funded by DHHS Contract Share		
	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total
1. Total Salary/Wages	\$ 247,525.77	\$ 24,752.68	\$ 272,278.35	\$ -	\$ -	\$ -	\$ 247,525.77	\$ 24,752.68	\$ 272,278.35
2. Employee Benefits	\$ 70,544.84	\$ 7,054.48	\$ 77,599.33	\$ -	\$ -	\$ -	\$ 70,544.84	\$ 7,054.48	\$ 77,599.33
3. Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ 1,200.00	\$ 120.00	\$ 1,320.00	\$ -	\$ -	\$ -	\$ 1,200.00	\$ 120.00	\$ 1,320.00
5. Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office	\$ 1,800.00	\$ 180.00	\$ 1,980.00	\$ -	\$ -	\$ -	\$ 1,800.00	\$ 180.00	\$ 1,980.00
6. Travel	\$ 11,282.62	\$ 1,128.26	\$ 12,410.88	\$ -	\$ -	\$ -	\$ 11,282.62	\$ 1,128.26	\$ 12,410.88
7. Occupancy	\$ 7,630.00	\$ 763.00	\$ 8,393.00	\$ -	\$ -	\$ -	\$ 7,630.00	\$ 763.00	\$ 8,393.00
8. Current Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telephone	\$ 5,882.22	\$ 588.22	\$ 6,470.44	\$ -	\$ -	\$ -	\$ 5,882.22	\$ 588.22	\$ 6,470.44
Postage	\$ 180.00	\$ 18.00	\$ 198.00	\$ -	\$ -	\$ -	\$ 180.00	\$ 18.00	\$ 198.00
Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9. Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10. Marketing/Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Staff Education and Training	\$ 3,000.00	\$ 300.00	\$ 3,300.00	\$ -	\$ -	\$ -	\$ 3,000.00	\$ 300.00	\$ 3,300.00
12. Subcontracts/Agreements	\$ 5,000.00	\$ 500.00	\$ 5,500.00	\$ -	\$ -	\$ -	\$ 5,000.00	\$ 500.00	\$ 5,500.00
13. Other (specify details mandatory)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Printing	\$ 500.00	\$ 50.00	\$ 550.00	\$ -	\$ -	\$ -	\$ 500.00	\$ 50.00	\$ 550.00
Training Reimbursement Payments	\$ 100,000.00	\$ 10,000.00	\$ 110,000.00	\$ -	\$ -	\$ -	\$ 100,000.00	\$ 10,000.00	\$ 110,000.00
TOTAL	\$ 464,545.46	\$ 46,454.55	\$ 500,000.00	\$ -	\$ -	\$ -	\$ 464,545.46	\$ 46,454.55	\$ 500,000.00

Indirect As A Percent of Direct

10.0%

#DIV/0!

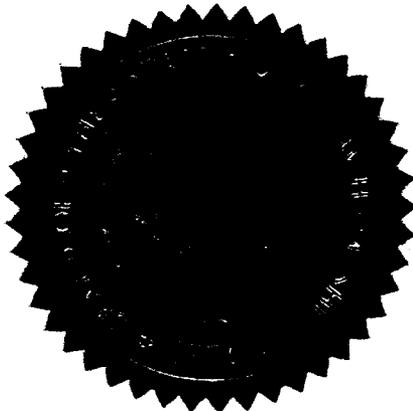
10.0%

Contractor Initials *ES*
Date *9/11/2014*

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 10th day of April A.D. 2014

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

William M. Gardner
Secretary of State



CERTIFICATE OF VOTE / AUTHORIZATION

I, Betty Burke, do hereby certify that:

1. I am the duly elected Assistant Secretary of Easter Seals New Hampshire, Inc.
2. The following is a true copy of a resolution duly adopted at a meeting of the Board of Directors of the Corporation duly held on June 11, 2014.

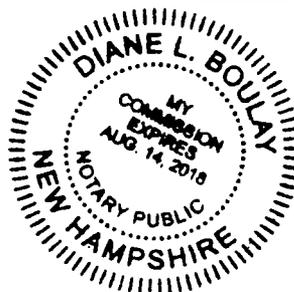
RESOLVED: To authorize the president, chief operating officer/chief financial officer, vice president of finance, senior vice president of human resources and the legal counsel of the corporation, or any one of them acting alone, to execute contracts, leases and documents, which have been approved in accordance with the policies of the corporation and its fiscal authorities adopted by the board of directors and to include within that authority Easter Seals New York, Inc., Easter Seals Maine, Inc., Easter Seals Rhode Island, Inc., Manchester Alcoholism Rehabilitation Center (Farnum Center), Webster Place Center, Inc., Special Transit Services, Inc. or Agency Realty, Inc.

3. I further certify that Elin Treanor is the CFO of Easter Seals New Hampshire, Inc., and *all* its subsidiaries, and is still qualified and serving in such capacity.
4. The foregoing resolution has not been amended or revoked and remains in full force and effect as of SEPTEMBER 11, 2014.

Betty Burke
Assistant Secretary

The foregoing instrument was acknowledged before me this 11th day of September 2014.

Diane L Boulay
Notary Public





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/26/2013

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

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

PRODUCER Hays Companies of New England 133 Federal Street 2nd Floor Boston, MA 02110 1-617-723-7775	CONTACT NAME: Michael Boisvert PHONE (A/C, No, Ext): 617.778.5040 FAX (A/C, No): 617.723.5155 E-MAIL ADDRESS: mboisvert@hayscompanies.com
INSURED Easter Seals New Hampshire, Inc. 555 Auburn Street Manchester, NH 03103-4803	INSURER(S) AFFORDING COVERAGE INSURER A: UNITED STATES FIRE INS CO INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES	CERTIFICATE NUMBER: 37683779	REVISION NUMBER:
------------------	-------------------------------------	-------------------------

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/PROP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRE AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED* (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		406-6810956	01/01/14	01/01/15	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Evidence of Insurance

CERTIFICATE HOLDER NH DEHS 29 Hazen Drive Concord, NH 03301 USA	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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**Easter Seals New Hampshire, Inc.
and Subsidiaries**

Consolidated Financial Statements and
Other Financial Information

*Years Ended August 31, 2013 and 2012
With Independent Auditors' Report*

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION**

For the Years Ended August 31, 2013 and 2012

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BAKER | NEWMAN | NOYES

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH), which comprise the statements of financial position as of August 31, 2013 and 2012, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 from material misstatement.

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

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

Baker Newman & Noyes, LLC

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Easter Seals NH as of August 31, 2013 and 2012, and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying other financial information is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual companies 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2013 on our consideration of Easter Seals New Hampshire, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Easter Seals New Hampshire, Inc. and Subsidiaries' internal control over financial reporting and compliance.

Manchester, New Hampshire
December 14, 2013

Baker Neuman & Noyes
Limited Liability Company

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

August 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 3,042,621	\$ 4,402,187
Accounts receivable from affiliates	247,471	441,980
Program and other accounts receivable, less contractual allowance of \$210,300 in 2013 and \$131,500 in 2012, and allowance for doubtful accounts of \$930,400 in 2013 and \$395,000 in 2012	11,224,708	9,321,570
Contributions receivable, less allowance for doubtful accounts of \$25,500 in 2013 and \$25,000 in 2012	686,110	491,729
Current portion of assets limited as to use	541,961	458,005
Prepaid expenses and other current assets	<u>783,844</u>	<u>1,304,173</u>
Total current assets	16,526,715	16,419,644
Assets limited as to use, net of current portion	4,558,513	5,017,773
Fixed assets, net	28,066,884	25,132,481
Property held for sale	822,504	910,171
Bond issuance costs, net	244,751	254,390
Investments, at fair value	14,264,341	13,005,757
Beneficial interest in trusts held by others and other assets	<u>6,830,800</u>	<u>6,620,011</u>
	<u>\$71,314,508</u>	<u>\$67,360,227</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Lines of credit	\$ 4,212,394	\$ 1,982,604
Accounts payable	1,812,128	2,630,935
Accrued expenses	4,143,454	4,362,192
Rate reserves	-	435,008
Current portion of deferred revenue	1,866,234	1,757,283
Current portion of interest rate swap agreements	708,132	734,470
Current portion of long-term debt	<u>796,290</u>	<u>746,716</u>
Total current liabilities	13,538,632	12,649,208
Deferred revenue, net of current portion	3,191,386	3,778,487
Other liabilities	1,367,458	1,168,659
Interest rate swap agreements, less current portion	2,050,214	4,401,508
Long-term debt, less current portion	<u>25,318,667</u>	<u>22,923,934</u>
Total liabilities	45,466,357	44,921,796
Net assets:		
Unrestricted	14,767,708	11,937,759
Temporarily restricted	925,437	598,750
Permanently restricted	<u>10,155,006</u>	<u>9,901,922</u>
Total net assets	25,848,151	22,438,431
	<u>\$71,314,508</u>	<u>\$67,360,227</u>

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended August 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue:				
Public support:				
Contributions	\$ 862,353	\$ 1,622,346	\$ 13,648	\$ 2,498,347
Special events, net of related direct costs of \$307,832	857,369	131,154	-	988,523
Annual campaigns, net of related direct costs of \$80,637	391,930	51,304	-	443,234
Bequests	369,823	-	-	369,823
Net assets released from restrictions	<u>1,497,063</u>	<u>(1,497,063)</u>	<u>-</u>	<u>-</u>
Total public support	3,978,538	307,741	13,648	4,299,927
Revenue:				
Fees and grants from governmental agencies	66,453,590	-	-	66,453,590
Other fees and grants	24,013,223	-	-	24,013,223
Sales to public	4,019,558	-	-	4,019,558
Dividend and interest income	681,151	1,141	-	682,292
Rental income	144,771	-	-	144,771
Other	<u>695,295</u>	<u>-</u>	<u>-</u>	<u>695,295</u>
Total revenue	<u>96,007,588</u>	<u>1,141</u>	<u>-</u>	<u>96,008,729</u>
Total public support and revenue	99,986,126	308,882	13,648	100,308,656
Operating expenses:				
Program services:				
Public health education	609,102	-	-	609,102
Professional education	41,275	-	-	41,275
Direct services	<u>87,378,754</u>	<u>-</u>	<u>-</u>	<u>87,378,754</u>
Total program services	88,029,131	-	-	88,029,131
Supporting services:				
Management and general	9,404,656	-	-	9,404,656
Fundraising	<u>1,756,069</u>	<u>-</u>	<u>-</u>	<u>1,756,069</u>
Total supporting services	<u>11,160,725</u>	<u>-</u>	<u>-</u>	<u>11,160,725</u>
Total functional expenses	99,189,856	-	-	99,189,856
Support of National programs	<u>121,780</u>	<u>-</u>	<u>-</u>	<u>121,780</u>
Total operating expenses	<u>99,311,636</u>	<u>-</u>	<u>-</u>	<u>99,311,636</u>
Increase in net assets from operations	674,490	308,882	13,648	997,020

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

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

Year Ended August 31, 2013

	<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	\$ 2,377,632	\$ -	\$ -	\$ 2,377,632
Net unrealized and realized gains on investments	789,496	24,173	-	813,669
Increase in fair value of beneficial interest in trusts held by others	-	-	239,436	239,436
Gain on sales and disposals of property, plant and equipment	<u>7,392</u>	<u>-</u>	<u>-</u>	<u>7,392</u>
	<u>3,174,520</u>	<u>24,173</u>	<u>239,436</u>	<u>3,438,129</u>
Increase in net assets before effects of discontinued operations	3,849,010	333,055	253,084	4,435,149
Loss from discontinued operations	<u>(1,019,061)</u>	<u>(6,368)</u>	<u>-</u>	<u>(1,025,429)</u>
Total increase in net assets	2,829,949	326,687	253,084	3,409,720
Net assets at beginning of year	<u>11,937,759</u>	<u>598,750</u>	<u>9,901,922</u>	<u>22,438,431</u>
Net assets at end of year	<u>\$14,767,708</u>	<u>\$ 925,437</u>	<u>\$10,155,006</u>	<u>\$ 25,848,151</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	63,215,906	-	-	63,215,906
Other fees and grants	26,755,347	-	-	26,755,347
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>642,000</u>	<u>-</u>	<u>-</u>	<u>642,000</u>
Total revenue	<u>95,491,503</u>	<u>3,635</u>	<u>-</u>	<u>95,495,138</u>
Total public support and revenue	99,191,659	(4,495)	62,323	99,249,487
Operating expenses:				
Program services:				
Public health education	595,634	-	-	595,634
Professional education	22,251	-	-	22,251
Direct services	<u>86,643,303</u>	<u>-</u>	<u>-</u>	<u>86,643,303</u>
Total program services	87,261,188	-	-	87,261,188
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	97,844,015	-	-	97,844,015
Support of National programs	<u>134,887</u>	<u>-</u>	<u>-</u>	<u>134,887</u>
Total operating expenses	<u>97,978,902</u>	<u>-</u>	<u>-</u>	<u>97,978,902</u>
Increase (decrease) in net assets from operations	1,212,757	(4,495)	62,323	1,270,585

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>
Increase in net assets before effects of discontinued operations	517,449	2,186	407,897	927,532
(Loss) gain from discontinued operations	<u>(83,341)</u>	<u>2,237</u>	<u>-</u>	<u>(81,104)</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 FUNCTIONAL EXPENSES

Year Ended August 31, 2013

	Program Services ⁽¹⁾			Supporting Services ⁽¹⁾			Total Program ⁽¹⁾ and Supporting Services Expenses	
	Public Health Education	Professional Education	Direct Services	Management and General	Fund-Raising	Total	2013	2012
Salaries and related expenses	\$432,105	\$ -	\$65,758,239	\$6,141,707	\$1,213,314	\$7,355,021	\$73,545,365	\$72,917,224
Professional fees	24,682	-	7,429,948	1,605,708	237,562	1,843,270	9,297,900	9,765,630
Supplies	19,447	-	2,596,330	69,601	32,145	101,746	2,717,523	2,687,719
Telephone	3,233	-	539,684	301,010	12,741	313,751	856,668	836,451
Postage and shipping	4,968	-	53,914	49,897	7,280	57,177	116,059	132,468
Occupancy	18,838	-	3,531,333	495,234	109,438	604,672	4,154,843	3,831,768
Outside printing, artwork and media	30,470	-	50,964	9,565	43,756	53,321	134,755	119,656
Travel	13,155	-	2,539,348	35,696	32,695	68,391	2,620,894	2,686,733
Conventions and meetings	45,984	41,275	210,117	45,752	50,038	95,790	393,166	393,909
Specific assistance to individuals	-	-	968,120	11,995	-	11,995	980,115	927,051
Dues and subscriptions	1,318	-	21,710	16,128	10,061	26,189	49,217	45,357
Minor equipment purchases and equipment rental	4,592	-	273,570	152,783	2,594	155,377	433,539	688,889
Ads, fees and miscellaneous	10,104	-	82,210	13,423	2,403	15,826	108,140	56,186
Interest	-	-	857,644	237,341	-	237,341	1,094,985	1,101,812
Bad debt provision	-	-	757,856	765	770	1,535	759,391	43,744
Facility tax assessment	-	-	311,041	-	-	-	311,041	-
Depreciation and amortization	206	-	1,396,726	218,051	1,272	219,323	1,616,255	1,609,418
	<u>\$609,102</u>	<u>\$41,275</u>	<u>\$87,378,754</u>	<u>\$9,404,656</u>	<u>\$1,756,069</u>	<u>\$11,160,725</u>	<u>\$99,189,856</u>	<u>\$97,844,015</u>
	0.61%	0.04%	88.09%	9.48%	1.78%	11.26%	100.00%	100.00%

(1) Excludes expenses related to discontinued operations - see note 13.

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	Manage- ment and General	Fund- Raising	Total	
Salaries and related expenses	\$410,255	\$ -	\$65,696,888	\$5,325,167	\$1,484,914	\$ 6,810,081	\$72,917,224
Professional fees	28,453	-	7,783,350	1,805,957	147,870	1,953,827	9,765,630
Supplies	19,338	-	2,563,659	75,986	28,736	104,722	2,687,719
Telephone	4,481	-	534,868	279,767	17,335	297,102	836,451
Postage and shipping	8,989	-	58,643	57,279	7,557	64,836	132,468
Occupancy	13,215	-	3,392,513	351,611	74,429	426,040	3,831,768
Outside printing, artwork and media	30,200	-	46,737	8,812	33,907	42,719	119,656
Travel	12,938	-	2,590,581	41,212	42,002	83,214	2,686,733
Conventions and meetings	43,700	22,251	238,872	57,522	31,564	89,086	393,909
Specific assistance to individuals	159	-	918,721	7,200	971	8,171	927,051
Dues and subscriptions	1,043	-	29,579	9,711	5,024	14,735	45,357
Minor equipment purchases and equipment rental	5,237	-	281,800	398,836	3,016	401,852	688,889
Ads, fees and miscellaneous	17,164	-	185,577	(147,690)	1,135	(146,555)	56,186
Interest	-	-	871,461	230,351	-	230,351	1,101,812
Bad debt provision	-	-	41,971	-	1,773	1,773	43,744
Depreciation and amortization	462	-	1,408,083	198,751	2,122	200,873	1,609,418
	<u>\$595,634</u>	<u>\$22,251</u>	<u>\$86,643,303</u>	<u>\$8,700,472</u>	<u>\$1,882,355</u>	<u>\$10,582,827</u>	<u>\$97,844,015</u>
	0.61%	0.02%	88.55%	8.89%	1.93%	10.82%	100.00%

(1) Excludes expenses related to discontinued operations – see note 13.

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended August 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Increase in net assets	\$ 3,409,720	\$ 846,428
Adjustments to reconcile increase in net assets to net cash used by operating activities:		
Depreciation and amortization	1,807,843	1,897,233
Bad debt provision	774,569	46,344
Increase in beneficial interest in trusts held by others	(239,436)	(345,574)
Gain on sales and disposals of property, plant and equipment and property held for sale	(283,942)	(2,024,351)
Change in fair value of interest rate swaps	(2,377,632)	1,254,211
Net unrealized and realized gains on investments	(813,669)	(569,327)
Changes in operating assets and liabilities:		
Accounts receivable from affiliates	194,509	(218,818)
Program and other accounts receivable	(2,677,707)	858,969
Contributions receivable	(194,381)	(172,018)
Prepaid expenses and other current assets	520,329	(203,018)
Other assets	(4,483)	(723,547)
Accounts payable and accrued expenses	(1,037,545)	(405,642)
Accounts payable to affiliates	-	(314,557)
Rate reserve	(435,008)	(656,571)
Deferred revenue	(478,150)	(938,226)
Other liabilities	<u>198,799</u>	<u>16,715</u>
Net cash used by operating activities	<u>(1,636,184)</u>	<u>(1,651,749)</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(4,859,057)	(1,794,331)
Proceeds from sale of property, plant and equipment and property held for sale	531,189	3,034,938
Cash provided by acquisition	-	227,830
Increase in investments, net	(444,915)	(624,655)
Change in assets limited as to use	<u>375,304</u>	<u>1,165,832</u>
Net cash (used) provided by investing activities	<u>(4,397,479)</u>	<u>2,009,614</u>
Cash flows from financing activities:		
Repayment of long-term debt	(750,199)	(2,508,652)
Issuance of long-term debt	3,194,506	360,982
Payment for termination of interest rate swap	-	(159,678)
Repayments on lines of credit	(27,372,936)	(26,040,436)
Borrowings on lines of credit	<u>29,602,726</u>	<u>27,374,577</u>
Net cash provided (used) by financing activities	<u>4,674,097</u>	<u>(973,207)</u>
Decrease in cash and cash equivalents	(1,359,566)	(615,342)
Cash and cash equivalents, beginning of year	<u>4,402,187</u>	<u>5,017,529</u>
Cash and cash equivalents, end of year	<u>\$ 3,042,621</u>	<u>\$ 4,402,187</u>

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

Years Ended August 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 1,119,000</u>	<u>\$ 1,225,000</u>

During 2013 and 2012, Easter Seals NH transferred property with a net carrying value of \$16,224 and \$1,513,272, 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, 2013 and 2012

1. Corporate Organization and Purpose

Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH) consists of ten 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; 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 May 22, 2013 the Board of Directors of Easter Seals New Hampshire, Inc. voted to dissolve and transfer the assets and liabilities of Special Transit Services, Inc. to Easter Seals New Hampshire, Inc.

On March 22, 2013, the Board of Directors of Easter Seals NY, voted to discontinue the Bronx Early Intervention program. On July 1, 2013, the Center for Therapeutic Recreation program located in Portland, Maine was transferred to the City of Portland and at that same time Easter Seals ME discontinued offering those services. On September 1, 2012, the Board of Directors of Easter Seals NH voted to discontinue the Raymond Preschool program and surrender the related operating license. On September 25, 2013, the Board of Directors of Easter Seals CT voted to discontinue the camp programs and cease all operations effective November 16, 2013. On January 25, 2012, the Board of Directors of Easter Seals NH 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 also note 13.

In May 2013, the Boards of Directors of Manchester Alcoholism Rehabilitation Center and Webster Place voted to merge the two organizations with Manchester Alcohol Rehabilitation Center being the surviving corporation, having found such merger to be in the best interest of both organizations. The effective date of the merger is September 1, 2013.

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.

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.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

Management has implemented a practice to establish cash reserves on hand. Approximately \$2,432,000 and \$2,277,000, respectively, of cash and cash equivalents, and approximately \$2,238,000 and \$2,070,000, respectively, of investments were on-hand under this practice as of August 31, 2013 and 2012, 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.

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, 2013. Intangible assets at August 31, 2013 consist of a patient list obtained in the acquisition of Webster Place (see note 12).

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

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

2014	\$ 33,130
2015	33,130
2016	33,130
2017	33,130
2018	33,130
Thereafter	<u>99,393</u>
	<u>\$265,043</u>

Amortization expense recognized for the patient list in 2013 and 2012 totaled \$33,130 and \$32,827, respectively.

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, 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, 2013 and 2012.

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 2013 and 2012 was \$9,639 and \$36,418, respectively.

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 NY recognized additional revenue of approximately \$1,046,000 in 2013 due to a favorable rate adjustment approved by the State of New York in April 2013. Easter Seals NY had also established rate reserves of \$435,008 at August 31, 2012 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. These rate reserves were reversed in 2013.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

A third-party payor for three Easter Seals NY programs began to recoup a facility tax assessment on a monthly basis in 2013. The recoupment is a part of Easter Seals NY's reimbursement contract with the payor. The facility tax assessment is based on approved rates. As of August 31, 2013 the facility tax assessment due was approximately \$138,000, and is recorded in deferred revenue in the accompanying 2013 statement of financial position.

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 \$7,373,000 and \$5,979,000 for the years ended August 31, 2013 and 2012, respectively.

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.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

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 2010.

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, 2013 and 2012, Easter Seals NH had recognized a liability of \$2,758,346 and \$5,135,978, 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 an increase in net assets of \$2,377,632 for the year ending August 31, 2013 and a decrease in net assets of \$1,254,211 for the year ending August 31, 2012 (including increases in net assets of \$8,185, included in discontinued operations) related to swap agreements.

Increase 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 on investments.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain amounts in the 2012 consolidated financial statements have been reclassified to conform to the 2013 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 14, 2013, the date these consolidated financial statements were available to be issued.

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.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

3. Classification of Net Assets (Continued)

Endowment Net Asset Composition by Type of Fund

The major categories of endowment funds at August 31, 2013 and 2012 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>2013</u>				
Camping program	\$ —	\$ 1,918	\$ 363,869	\$ 365,787
Other programs	—	18,913	340,203	359,116
Operations	<u>—</u>	<u>—</u>	<u>3,613,207</u>	<u>3,613,207</u>
Total endowment net assets	<u>\$ —</u>	<u>\$ 20,831</u>	<u>\$ 4,317,279</u>	<u>\$ 4,338,110</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>

Changes in Endowment Net Assets

During the years ended August 31, 2013 and 2012, 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, 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	—	16,043	4,303,631	4,319,674
Investment return:				
Investment income, net of fees	—	18,777	—	18,777
Net appreciation (realized and unrealized)	—	563,208	—	563,208
Contributions	—	—	13,648	13,648
Appropriated for expenditure	<u>—</u>	<u>(577,197)</u>	<u>—</u>	<u>(577,197)</u>
Net endowment assets, August 31, 2013	<u>\$ —</u>	<u>\$ 20,831</u>	<u>\$ 4,317,279</u>	<u>\$ 4,338,110</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

3. Classification of Net Assets (Continued)

In addition to endowment net assets, Easter Seals NH also maintains non-endowed funds. The major categories of non-endowment funds, at August 31, 2013 and 2012 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Non- Endowment Net Assets</u>
<u>2013</u>				
Seniors program	\$ 88,902	\$ 11,729	\$ —	\$ 100,631
Veterans program	—	517,035	—	517,035
India initiative	—	57,881	—	57,881
Other programs	—	285,461	—	285,461
Operations	<u>14,678,806</u>	<u>32,500</u>	<u>5,837,727</u>	<u>20,549,033</u>
Total non-endowment net assets	<u>\$14,767,708</u>	<u>\$904,606</u>	<u>\$5,837,727</u>	<u>\$21,510,041</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>

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, 2013 or 2012.

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 2% over the inflation rate. Actual returns in any given year may vary from this amount.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

3. Classification of Net Assets (Continued)

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.

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 \$2,168,000 and \$2,101,000 for the years ended August 31, 2013 and 2012, respectively. Some of these leases have terms which include renewal options, and others may be terminated at Easter Seals NH's option without substantial penalty. Future minimum payments required under the leases in effect at August 31, 2013, through the remaining contractual term of the underlying lease agreements, are as follows:

Year Ended August 31:

2014	\$1,850,275
2015	1,073,592
2016	850,435
2017	608,811
2018	305,738
Thereafter	371,118

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 February 2014. Total rental income earned under this sublease agreement for the years ended August 31, 2013 and 2012 was approximately \$144,000 and \$140,000, respectively.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

5. Fixed Assets

Fixed assets consist of the following at August 31:

	<u>2013</u>	<u>2012</u>
Buildings	\$ 33,015,085	\$ 28,872,993
Land and land improvements	3,494,009	3,493,590
Leasehold improvements	952,100	892,094
Office equipment and furniture	9,917,122	9,993,575
Vehicles	3,225,015	3,093,740
Construction in progress	<u>216,678</u>	<u>861,415</u>
	50,820,009	47,207,407
Less accumulated depreciation and amortization	<u>(22,753,125)</u>	<u>(22,074,926)</u>
	<u>\$ 28,066,884</u>	<u>\$ 25,132,481</u>

Depreciation and amortization expense related to fixed assets totaled \$1,765,074 and \$1,827,988 in 2013 and 2012, respectively. Depreciation and amortization of fixed assets included within discontinued operations in 2013 and 2012 totaled \$191,588 and \$287,815, 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, 2013 and 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>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 3,513,266	\$ 2,784,158
Certificates of deposit	554,282	1,650,399
Marketable equity securities	2,770,110	2,301,934
Mutual funds	10,992,033	10,504,252
Corporate and foreign bonds	903,497	930,355
Government and agency securities	<u>631,627</u>	<u>310,437</u>
	19,364,815	18,481,535
Less: assets limited as to use	<u>(5,100,474)</u>	<u>(5,475,778)</u>
Total investments, at fair value	<u>\$14,264,341</u>	<u>\$13,005,757</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

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

The composition of assets limited as to use at August 31, 2013 and 2012 is 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>2013</u>	<u>2012</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	\$2,310,566	\$2,246,143
Certificates of deposit	554,282	1,650,399
Mutual funds	428,148	137,686
Marketable equity securities	<u>151,573</u>	<u>—</u>
	3,444,569	4,034,228
Under a deferred compensation plan (see note 7):		
Investments	1,367,127	1,167,789
Maintained in escrow to make required payments on certain bonds (see note 8):		
Cash and cash equivalents	<u>288,778</u>	<u>273,761</u>
Total assets limited as to use	<u>\$5,100,474</u>	<u>\$5,475,778</u>

The principal components of investment income and net realized and unrealized gains included in continuing operations are summarized below. Amounts included in discontinued operations for 2013 and 2012 were not significant.

	<u>2013</u>	<u>2012</u>
Unrestricted investment income and unrealized and realized gains on investments:		
Dividend and interest income	\$ 681,151	\$ 680,465
Net unrealized gains	231,743	393,815
Net realized gains	<u>557,753</u>	<u>168,831</u>
	1,470,647	1,243,111
Restricted investment income and unrealized and realized gains on investments:		
Dividend and interest income	1,141	3,635
Net unrealized gains	7,631	1,905
Net realized gains	<u>16,542</u>	<u>4,776</u>
	<u>25,314</u>	<u>10,316</u>
	<u>\$1,495,961</u>	<u>\$1,253,427</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

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 \$474,000 and \$490,000 for the years ended August 31, 2013 and 2012, 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 \$130,000 and \$120,000 to this plan during the years ended August 31, 2013 and 2012, respectively. The assets and liabilities associated with this plan were \$1,367,127 and \$1,167,789 at August 31, 2013 and 2012, 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>2013</u>	<u>2012</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 (0.07% at August 31, 2013) through December 2034, annual principal payments continually increasing from \$385,000 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)	\$14,660,000	\$15,025,000
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 \$10,050 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% (1.93% at August 31, 2013)	5,052,360	5,171,840
Mortgage payable to a bank with a variable rate of LIBOR plus 2.65% (2.83% at August 31, 2013), 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 \$3,444,569 at August 31, 2013	2,470,000	2,584,000
Note payable to a bank with a fixed rate of 4.25%, principal and interest of \$823 payable monthly, paid in full in July 2013	—	8,941

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

8. Borrowings (Continued)

	<u>2013</u>	<u>2012</u>
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$985 payable monthly through April 2018, secured by vehicles	\$ 52,008	\$ —
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	73,357	108,052
Unsecured note payable to an individual with a fixed rate of 5.25%, principal and interest of \$10,311 payable monthly, due April 2016	307,232	411,835
Non-revolving note payable to a bank with a total availability of \$3,500,000 with a variable rate of LIBOR plus 4.07% (4.25% at August 31, 2013), 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 \$3,955,615 at August 31, 2013	<u>3,500,000</u>	<u>360,982</u>
	26,114,957	23,670,650
Less current portion	<u>796,290</u>	<u>746,716</u>
	<u>\$25,318,667</u>	<u>22,923,934</u>

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

2014	\$ 796,290
2015	6,529,599
2016	642,389
2017	585,665
2018	610,934
Thereafter	<u>16,950,080</u>
	<u>\$26,114,957</u>

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 April 2, 2014. 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, 2013 and 2012, is \$229,640 at August 31, 2013. The balances outstanding under the note payable at August 31, 2013 and 2012 were converted to the \$52,008 and \$8,941 term notes, respectively, as described above.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

8. Borrowings (Continued)

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 \$98,795, 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 2013: Easter Seals NH \$3.725 million, Easter Seals NY \$3 million and Harbor Schools \$275,000. The interest rate charged on outstanding borrowings is at LIBOR plus 2.25% (2.43% at August 31, 2013). 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, 2013 and 2012 were \$262,356 and \$451,302, respectively, related to Harbor Schools, \$1,599,505 and \$1,124,649, respectively, related to Easter Seals NY and \$1,425,875 and \$0, respectively, related to Easter Seals NH.

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% (2.43% at August 31, 2013). The line is secured by all business assets and property of Easter Seals CT, except for certain assets limited as to use (\$3,444,569 carrying value as of August 31, 2013). 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, 2013 and 2012 were \$924,658 and \$406,653, respectively.

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 \$288,778 and \$273,761 at August 31, 2013 and 2012, respectively. This agreement also requires bank approval prior to Easter Seals NH incurring additional indebtedness. Easter Seals NH has two letters of credit securing the bonds each for \$14,840,246 (expiring and subject to renewal on December 1, 2013, and mainly to support future principal and interest repayments due under the 2004A Revenue Bonds), Easter Seals NH is required to replace or renew the two \$14,840,246 letters of credit upon their expiration or the related bonds may be subject to early redemption. Easter Seals NH pays an annual fee for the two letters of credit relating to the 2004A NHHEFA Revenue Bonds. Fees incurred on these letters of credit totaled approximately \$157,000 and \$234,000 in 2013 and 2012, respectively.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

8. Borrowings (Continued)

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.

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 \$14,660,000 and \$15,025,000 at August 31, 2013 and 2012, 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 (0.07% at August 31, 2013).

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 \$5,052,360 and \$5,171,840 at August 31, 2013 and 2012, 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 (\$2,470,000 and \$2,584,000 at August 31, 2013 and 2012, 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 (2.83% at August 31, 2013) 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 \$2,758,346 and \$5,135,978 at August 31, 2013 and 2012, respectively, \$708,132 and \$734,470 of which was current at August 31, 2013 and 2012, respectively. During the years ended August 31, 2013 and 2012 net payments required by the agreements totaled \$692,269 and \$708,196, respectively. These payments 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.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

8. Borrowings (Continued)

In addition to the above swap agreements, Harbor Schools had an interest rate swap agreement with a bank in connection with certain bonds issued through the Massachusetts Development Finance Authority. The interest rate swap agreement, which would otherwise have terminated in October 2015, was terminated effective November 15, 2011 upon Harbor Schools full repayment of those bonds. This triggered a swap termination payment of \$159,678, which was recognized in 2012.

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, 2013, Easter Seals NH was in compliance with restrictive covenants specified under the NHHEFA bonds, Series 2010 Bonds, and other debt obligations.

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 13% and 19% of other fees and grants revenue is derived from a pass-through grant from Easter Seals, Inc. for the years ended August 31, 2013 and 2012, respectively. Easter Seals NH is a member of Easter Seals, Inc. As of August 31, 2013 and 2012, Easter Seals NH had a receivable of \$247,471 and \$441,980, respectively, from Easter Seals, Inc. related to amounts due under this grant. Membership fees to Easter Seals, Inc. were \$121,780 and \$134,887 for the years ended August 31, 2013 and 2012, 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.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

11. Fair Value of Financial Instruments (Continued)

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.

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, 2013 and 2012.

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 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 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, 2013 and 2012

11. Fair Value of Financial Instruments (Continued)

At August 31, 2013 and 2012, 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>2013</u>				
Assets:				
Assets limited as to use and investments at fair value:				
Cash and cash equivalents	\$ 3,513,266	\$ —	\$ —	\$ 3,513,266
Certificates of deposit	—	554,282	—	554,282
Marketable equity securities:				
Large-cap	2,550,313	—	—	2,550,313
International	219,797	—	—	219,797
Mutual funds, open-ended:				
Short-term fixed income	3,304,368	—	—	3,304,368
Intermediate-term bond fund	543,938	—	—	543,938
High yield bond fund	274,582	—	—	274,582
Foreign bond	210,342	—	—	210,342
Government securities	511,971	—	—	511,971
International equities	693,837	—	—	693,837
Domestic, large-cap	816,851	—	—	816,851
Domestic, mid-cap	369,532	—	—	369,532
Domestic, small-cap	237,828	—	—	237,828
Real estate fund	3,868	—	—	3,868
Mutual funds, closed-ended:				
Fixed income and bond	427,663	—	—	427,663
Domestic, large-cap	2,002,955	—	—	2,002,955
Domestic, mid-cap	493,556	—	—	493,556
Domestic, small-cap	913,054	—	—	913,054
International equity	173,305	—	—	173,305
Commodity	14,383	—	—	14,383
Corporate and foreign bonds	—	903,497	—	903,497
Government and agency securities	<u>631,627</u>	<u>—</u>	<u>—</u>	<u>631,627</u>
	<u>\$17,907,036</u>	<u>\$1,457,779</u>	<u>\$ —</u>	<u>\$19,364,815</u>
Beneficial interest in trust held by others:				
Money market funds	\$ 4,555	\$ —	\$ —	\$ 4,555
Marketable equity securities:				
Large-cap	2,544,889	148,594	—	2,693,483
Mid-cap	809,286	45,600	—	854,886
Small-cap	—	33,110	—	33,110
International	319,796	40,369	—	360,165
Emerging markets	118,842	—	—	118,842
Corporate bonds	—	709,131	—	709,131
Foreign bonds	—	6,029	—	6,029

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

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	\$ -	\$ 654,361	\$ -	\$ 654,361
International equity	34,664	-	-	34,664
International fixed income	19,931	-	-	19,931
Domestic large-cap equity	67,476	-	-	67,476
Domestic mid-cap equity	16,984	-	-	16,984
Domestic small-cap equity	20,565	-	-	20,565
Commodity	5,465	-	-	5,465
Government and agency securities	20,202	-	-	20,202
Real estate investment trust	95,123	-	-	95,123
Alternative and structured asset funds	33,921	-	88,834	122,755
	<u>\$ 4,111,699</u>	<u>\$ 1,637,194</u>	<u>\$ 88,834</u>	<u>\$ 5,837,727</u>
Liabilities:				
Interest rate swap agreements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,758,346</u>	<u>\$ 2,758,346</u>
<u>2012</u>				
Assets:				
Assets limited as to use and investments at fair value:				
Cash and cash equivalents	\$ 2,784,158	\$ -	\$ -	\$ 2,784,158
Certificates of deposit	-	1,650,399	-	1,650,399
Marketable equity securities:				
Large-cap	2,112,576	-	-	2,112,576
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
Real estate fund	68,271	-	-	68,271
Mutual funds, closed-ended:				
Fixed income and bond	339,555	-	-	339,555
Domestic, large-cap	2,120,790	-	-	2,120,790
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	-	930,355	-	930,355
Government and agency securities	310,437	-	-	310,437
	<u>\$ 15,900,781</u>	<u>\$ 2,580,754</u>	<u>\$ -</u>	<u>\$ 18,481,535</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

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	\$ 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
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>

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, 2013 and 2012:

	<u>Interest Rate Swaps</u>	<u>Alternative and Other Asset Funds</u>
Beginning balance, September 1, 2011	\$(4,041,445)	\$ 57,709
Unrealized (losses) gains, net	(1,254,211)	20,905
Swap termination payment	<u>159,678</u>	<u>-</u>
Ending balance, August 31, 2012	(5,135,978)	78,614
Unrealized gains, net	<u>2,377,632</u>	<u>10,220</u>
Ending balance, August 31, 2013	<u>\$(2,758,346)</u>	<u>\$ 88,834</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

11. Fair Value of Financial Instruments (Continued)

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

The net amounts of unrealized gains (losses) for the period attributable to the change in unrealized gains (losses) relating to the interest rate swaps still held at August 31, 2013 and 2012 were \$2,377,632 and (\$1,254,211), respectively. The amount of unrealized gains for the period attributable to the change in unrealized gains relating to the Level 3 investments still held at August 31, 2013 and 2012 were \$10,220 and \$12,817, 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. Webster Place was not controlled by Easter Seals NH prior to this agreement. This affiliation was accounted for in the year ended August 31, 2012 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	\$ <u> -</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

13. Discontinued Operations

On March 22, 2013, the Board of Directors of Easter Seals NY voted to discontinue the Bronx Early Intervention program. On July 1, 2013, the Center for Therapeutic Recreation program located in Portland, Maine was transferred to the City of Portland and at that same time Easter Seals ME discontinued offering those services. On September 1, 2012, the Board of Directors of Easter Seals NH voted to discontinue the Raymond Preschool program and surrender the related operating license. On September 25, 2013, the Board of Directors of Easter Seals CT voted to discontinue the camp programs and cease all operations effective November 16, 2013. On January 25, 2012, the Board of Directors of Easter Seals NH 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/entities met the criteria for classification as discontinued operations. The decisions to close the programs were based on performance factors.

Summary statements of financial position for each of the above discontinued programs/entities as of August 31, 2013 and 2012 are as follows:

	<u>Rutland, Vermont</u>		<u>Harbor Schools</u>		<u>Bronx EI</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Total assets	\$ -	\$ 1,000	\$ 872,744	\$ 1,118,306	\$ 24,451	\$ 53,066
Total liabilities	1,197	-	595,053	813,880	9,289	-
Net assets (deficit):						
Unrestricted	(1,197)	1,000	230,951	251,319	15,162	53,066
Temporarily restricted	-	-	22,914	29,281	-	-
Permanently restricted	-	-	23,826	23,826	-	-
	<u>CTR Maine</u>		<u>CT Camp</u>		<u>NH Preschool</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Total assets	\$ 1,888	\$ 8,799	\$ 2,119,068	\$ 2,202,704	\$ -	\$ 17,786
Total liabilities	38	-	2,470,000	2,582,681	-	-
Net assets (deficit):						
Unrestricted	1,850	8,799	(350,932)	(379,977)	-	17,786
Temporarily restricted	-	-	-	-	-	-
Permanently restricted	-	-	-	-	-	-

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

13. Discontinued Operations (Continued)

Summary statements of activities for each of the above discontinued programs/entities for the years ended August 31, 2013 and 2012 are as follows:

	<u>Rutland Vermont</u>		<u>Harbor Schools</u>		<u>Bronx EI</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Total public support and revenue	\$ -	\$ 242,500	\$ 12,907	\$ 2,589,615	\$ 320,740	\$ 330,968
Operating expenses	(20,310)	(401,216)	(329,961)	(3,871,472)	(531,841)	(455,208)
Other nonoperating expense, gains or losses	-	-	(1,469)	(57,538)	-	-
Gain on sale of properties, net	<u>-</u>	<u>106,474</u>	<u>291,788</u>	<u>1,913,435</u>	<u>-</u>	<u>-</u>
Total increase (decrease) in net assets	<u>\$ (20,310)</u>	<u>\$ (52,242)</u>	<u>\$ (26,735)</u>	<u>\$ 574,040</u>	<u>\$ (211,101)</u>	<u>\$ (124,240)</u>
	<u>CTR Maine</u>		<u>CT Camp</u>		<u>NH Preschool</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Total public support and revenue	\$ 124,872	\$ 167,848	\$ 774,143	\$ 619,084	\$ -	\$ 64,084
Operating expenses	(165,621)	(203,959)	(1,431,704)	(980,659)	(53,735)	(145,060)
Other nonoperating expense, gains or losses	-	-	-	-	-	-
Gain (loss) on sale of properties, net	<u>325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,563)</u>	<u>-</u>
Total increase (decrease) in net assets	<u>\$ (40,424)</u>	<u>\$ (36,111)</u>	<u>\$ (657,561)</u>	<u>\$ (361,575)</u>	<u>\$ (69,298)</u>	<u>\$ (80,976)</u>

During 2013 and 2012, Easter Seals NH sold two and six properties, respectively, related to the closure of these programs, which resulted in gains on the sale of property of \$276,550 and \$2,019,909 for the years ending August 31, 2013 and 2012, respectively.

14. Concentrations

Easter Seals NH maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed amounts guaranteed by the Federal Deposit Insurance Corporation. 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, 2013

ASSETS

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Current assets:									
Cash and cash equivalents	\$ 1,884,939	\$ 500	\$ 300	\$ 500	\$ -	\$ 270,732	\$ 885,650	\$ -	\$ 3,042,621
Accounts receivable from affiliates	8,588,060	983,077	-	-	-	-	247,471	(9,571,137)	247,471
Program and other accounts receivable, net	6,375,827	627,330	541,354	160,914	3,500	283,994	3,231,789	-	11,224,708
Contributions receivable, net	343,482	-	1,725	20,175	-	28,350	292,378	-	686,110
Current portion of assets limited as to use	288,778	-	-	-	-	253,183	-	-	541,961
Prepaid expenses and other current assets	426,695	4,950	37,302	9,276	-	80,358	225,263	-	783,844
Total current assets	17,907,781	1,615,857	580,681	190,865	3,500	916,617	4,882,551	(9,571,137)	16,526,715
Assets limited as to use, net of current portion	1,367,127	-	-	-	-	3,191,386	-	-	4,558,513
Fixed assets, net	20,574,542	1,994	29,777	20,130	-	1,919,988	5,520,453	-	28,066,884
Property held for sale	-	-	-	-	822,504	-	-	-	822,504
Bond issuance costs, net	65,290	-	-	-	-	-	179,461	-	244,751
Investments, at fair value	11,646,528	-	-	-	46,740	1,699,874	871,199	-	14,264,341
Beneficial interest in trusts held by others and other assets	969,247	-	-	35,917	-	5,207,585	618,051	-	6,830,800
	\$52,530,515	\$1,617,851	\$ 610,458	\$ 246,912	\$ 872,744	\$12,935,450	\$12,071,715	\$ (9,571,137)	\$71,314,508

LIABILITIES AND NET ASSETS

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Current liabilities:									
Lines of credit	\$ 1,425,875	\$ -	\$ -	\$ -	\$ 262,356	\$ 924,658	\$ 1,599,505	\$ -	\$ 4,212,394
Accounts payable	1,259,499	8,467	1,492	3,458	907	65,152	473,153	-	1,812,128
Accrued expenses	3,058,850	7,722	28,013	6,617	29,988	115,836	896,428	-	4,143,454
Accounts payable to affiliates	4,654,485	-	2,790,841	58,729	296,552	493,735	1,276,795	(9,571,137)	-
Current portion of deferred revenue	1,368,832	12,095	55,123	-	5,250	264,818	160,116	-	1,866,234
Current portion of interest swap- agreements	525,435	-	-	-	-	39,267	143,430	-	708,132
Current portion of long-term debt	523,287	-	-	-	-	114,000	159,003	-	796,290
Total current liabilities	12,816,263	28,284	2,875,469	68,804	595,053	2,017,466	4,708,430	(9,571,137)	13,538,632
Deferred revenue, net of current portion	-	-	-	-	-	-	-	-	3,191,386
Other liabilities	1,367,458	-	-	-	-	3,191,386	-	-	1,367,458
Interest rate swap agreements, less current portion	1,699,286	-	-	-	-	17,475	333,453	-	2,050,214
Long-term debt, less current portion	17,995,953	-	-	-	-	2,356,000	4,966,714	-	25,318,667
Total liabilities	33,878,960	28,284	2,875,469	68,804	595,053	7,582,327	10,008,597	(9,571,137)	45,466,357
Net assets (deficit):									
Unrestricted	13,547,926	1,589,568	(2,279,862)	140,709	230,951	145,539	1,392,877	-	14,767,708
Temporarily restricted	734,001	(1)	14,851	1,482	22,914	-	152,190	-	925,437
Permanently restricted	4,369,628	-	-	35,917	23,826	5,207,584	518,051	-	10,155,006
Total net assets (deficit)	18,651,555	1,589,567	(2,265,011)	178,108	277,691	5,353,123	2,063,118	-	25,848,151
	\$52,530,515	\$1,617,851	\$ 610,458	\$ 246,912	\$ 872,744	\$12,935,450	\$12,071,715	\$ (9,571,137)	\$71,314,508

* Includes Agency Realty, Inc., Webster Place, Inc. and Manchester Alcoholism Rehabilitation Center

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
Current assets:									
Cash and cash equivalents	\$ 3,261,116	\$ 1,500	\$ 400	\$ 500	\$ -	\$ 217,128	\$ 921,543	\$ -	\$ 4,402,187
Accounts receivable from affiliates	7,589,576	1,223,181	-	-	-	-	441,980	(8,812,757)	441,980
Program and other accounts receivable, net	6,205,477	307,858	140,420	140,702	2,655	213,524	2,310,934	-	9,321,570
Contributions receivable, net	184,118	250	4,242	8,642	-	10,160	284,317	-	491,729
Current portion of assets limited as to use	273,761	-	-	-	-	184,244	-	-	458,005
Prepaid expenses and other current assets	796,271	12,698	20,780	11,863	17,625	56,849	388,087	-	1,304,173
Total current assets	18,310,319	1,545,487	165,842	161,707	20,280	681,905	4,346,861	(8,812,757)	16,419,644
Assets limited as to use, net of current portion	1,167,789	-	-	-	-	3,849,984	-	-	5,017,773
Fixed assets, net	17,149,053	1,621	9,272	14,324	140,666	2,061,397	5,756,148	-	25,132,481
Property held for sale	-	-	-	-	910,171	-	-	-	910,171
Bond issuance costs, net	68,363	-	-	-	-	-	186,027	-	254,390
Investments, at fair value	10,609,510	-	-	-	47,189	1,526,328	822,730	-	13,005,757
Beneficial interest in trusts held by others and other assets	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
Current liabilities:									
Lines of credit	\$ -	\$ -	\$ -	\$ -	\$ 451,302	\$ 406,653	\$ 1,124,649	\$ -	\$ 1,982,604
Accounts payable	1,646,794	9,093	476	4,154	236,194	43,982	690,242	-	2,630,935
Accrued expenses	3,200,668	6,041	20,936	7,584	95,290	142,447	889,226	-	4,362,192
Accounts payable to affiliates	4,867,724	-	2,386,803	25,941	31,094	476,403	1,024,792	(8,812,757)	-
Rate reserves	-	-	-	-	-	-	435,008	-	435,008
Current portion of deferred revenue	1,469,308	21,337	19,644	450	-	190,312	56,232	-	1,757,283
Current portion of interest swap agreements	545,538	-	-	-	-	41,541	147,391	-	734,470
Current portion of long-term debt	478,544	-	-	-	-	114,000	154,172	-	746,716
Total current liabilities	12,208,576	36,471	2,427,859	38,129	813,880	1,415,338	4,521,712	(8,812,757)	12,649,208
Deferred revenue, net of current portion	-	-	-	-	-	3,778,487	-	-	3,778,487
Other liabilities	1,168,659	-	-	-	-	-	-	-	1,168,659
Interest rate swap agreements, less current portion	3,435,046	-	-	-	-	56,467	909,995	-	4,401,508
Long-term debt, less current portion	15,328,214	-	-	-	-	2,470,000	5,125,720	-	22,923,934
Total liabilities	32,140,495	36,471	2,427,859	38,129	813,880	7,720,292	10,557,427	(8,812,757)	44,921,796
Net assets (deficit):									
Unrestricted	11,322,701	1,510,638	(2,255,245)	132,103	251,319	399,323	576,920	-	11,937,759
Temporarily restricted	483,752	(1)	2,500	5,799	29,281	-	77,419	-	598,750
Permanently restricted	4,350,120	-	-	34,488	23,826	4,999,547	493,941	-	9,901,922
Total net assets (deficit)	16,156,573	1,510,637	(2,252,745)	172,390	304,426	5,398,870	1,148,280	-	22,438,431
	\$48,297,068	\$1,547,108	\$ 175,114	\$ 210,519	\$1,118,306	\$13,119,162	\$11,705,707	\$ (8,812,757)	\$67,360,227

* Includes Agency Realty, Inc., Special 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, 2013

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Public support and revenue:									
Public support:									
Contributions	\$ 1,982,061	\$ 833	\$ 20,222	\$ 34,516	\$ -	\$ 43,732	\$ 416,983	\$ -	\$ 2,498,347
Special events, net	323,059	176	57,225	106,647	-	35,291	466,125	-	988,523
Annual campaigns, net	379,744	15,804	12,321	32,663	-	2,702	-	-	443,234
Bequests	108,362	-	79,247	1,710	-	20,270	160,234	-	369,823
Total public support	2,793,226	16,813	169,015	175,536	-	101,995	1,043,342	-	4,299,927
Revenue:									
Fees and grants from governmental agencies	36,843,073	2,855,468	1,456,933	1,077,769	-	481,247	23,739,100	-	66,453,590
Other fees and grants	19,378,555	727,962	30,673	64,890	-	16,554	3,794,589	-	24,013,223
Sales to public	4,019,558	-	-	-	-	-	-	-	4,019,558
Dividend and interest income	353,638	-	-	1,431	-	305,749	52,749	(31,275)	682,292
Rental income	1,240	-	-	-	-	-	143,531	-	144,771
Intercompany revenue	1,966,264	-	-	-	-	-	54,004	(2,020,268)	-
Other	111,174	9,294	131	5,600	-	527,885	41,211	-	695,295
Total revenue	62,673,502	3,592,724	1,487,737	1,149,690	-	1,331,435	27,825,184	(2,051,543)	96,008,729
Total public support and revenue	65,466,728	3,609,537	1,656,752	1,325,226	-	1,433,430	28,868,526	(2,051,543)	100,308,656
Operating expenses:									
Program services:									
Public health education	257,956	885	87	3,746	-	241	346,187	-	609,102
Professional education	41,275	-	-	-	-	-	-	-	41,275
Direct services	56,210,877	3,177,319	1,437,204	1,073,809	-	945,531	24,682,214	(148,200)	87,378,754
Total program services	56,510,108	3,178,204	1,437,291	1,077,555	-	945,772	25,028,401	(148,200)	88,029,131

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Supporting services:									
Management and general	\$ 7,893,023	\$ 329,705	\$ 154,349	\$ 121,246	\$ -	\$ 75,977	\$ 2,686,098	\$ (1,855,742)	\$ 9,404,656
Fundraising	<u>958,211</u>	<u>2,388</u>	<u>36,359</u>	<u>116,701</u>	-	<u>156,362</u>	<u>533,649</u>	<u>(47,601)</u>	<u>1,756,069</u>
Total supporting services	<u>8,851,234</u>	<u>332,093</u>	<u>190,708</u>	<u>237,947</u>	-	<u>232,339</u>	<u>3,219,747</u>	<u>(1,903,343)</u>	<u>11,160,725</u>
Total functional expenses	65,361,342	3,510,297	1,627,999	1,315,502	-	1,178,111	28,248,148	(2,051,543)	99,189,856
Support of National programs	<u>25,325</u>	-	<u>595</u>	<u>5,435</u>	-	<u>5,029</u>	<u>85,396</u>	-	<u>121,780</u>
Total operating expenses	<u>65,386,667</u>	<u>3,510,297</u>	<u>1,628,594</u>	<u>1,320,937</u>	-	<u>1,183,140</u>	<u>28,333,544</u>	<u>(2,051,543)</u>	<u>99,311,636</u>
Increase in net assets from operations	80,061	99,240	28,158	4,289	-	250,290	534,982	-	997,020
Other nonoperating expenses, gains and losses:									
Change in fair value of interest rate swaps	1,755,863	-	-	-	-	41,266	580,503	-	2,377,632
Net realized and unrealized gains (losses) on investments	715,103	-	-	-	-	112,222	(13,656)	-	813,669
Increase in fair value of beneficial interest in trusts held by others	5,861	-	-	1,429	-	208,036	24,110	-	239,436
Gain on sales and disposals of property, plant and equipment	<u>7,392</u>	-	-	-	-	-	-	-	<u>7,392</u>
	<u>2,484,219</u>	-	-	<u>1,429</u>	-	<u>361,524</u>	<u>590,957</u>	-	<u>3,438,129</u>
Increase in net assets before effects of discontinued operations	2,564,280	99,240	28,158	5,718	-	611,814	1,125,939	-	4,435,149
Loss from discontinued operations	<u>(69,298)</u>	<u>(20,310)</u>	<u>(40,424)</u>	-	<u>(26,735)</u>	<u>(657,561)</u>	<u>(211,101)</u>	-	<u>(1,025,429)</u>
Total increase (decrease) in net assets	2,494,982	78,930	(12,266)	5,718	(26,735)	(45,747)	914,838	-	3,409,720
Net assets (deficit) at beginning of year	<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>22,438,431</u>
Net assets (deficit) at end of year	<u>\$ 18,651,555</u>	<u>\$ 1,589,567</u>	<u>\$ (2,265,011)</u>	<u>\$ 178,108</u>	<u>\$ 277,691</u>	<u>\$ 5,353,123</u>	<u>\$ 2,063,118</u>	-	<u>\$ 25,848,151</u>

* Includes Agency Realty, 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, 2012

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Public support and revenue:									
Public support:									
Contributions	\$ 1,156,204	\$ 1,724	\$ 32,327	\$ 20,558	\$ -	\$ 38,367	\$ 713,660	\$ -	\$ 1,962,840
Special events, net	334,262	2,290	50,586	100,824	-	60,337	637,478	-	1,185,777
Annual campaigns, net	407,951	4,795	21,089	33,306	-	10,830	-	-	477,971
Bequests	(3,000)	-	-	-	-	8,761	122,000	-	127,761
Total public support	1,895,417	8,809	104,002	154,688	-	118,295	1,473,138	-	3,754,349
Revenue:									
Fees and grants from governmental agencies	38,016,845	2,551,544	1,200,957	996,191	-	148,477	20,301,892	-	63,215,906
Other fees and grants	20,545,703	561,452	8,401	68,030	-	25,818	5,545,943	-	26,755,347
Sales to public	4,057,412	-	-	-	-	-	-	-	4,057,412
Dividend and interest income	322,079	-	-	1,413	-	308,690	51,918	-	684,100
Rental income	320	-	-	-	-	-	140,053	-	140,373
Intercompany revenue	1,933,277	-	-	-	-	-	18,388	(1,951,665)	-
Other	141,239	14,553	100	3,170	-	429,122	53,816	-	642,000
Total revenue	65,016,875	3,127,549	1,209,458	1,068,804	-	912,107	26,112,010	(1,951,665)	95,495,138
Total public support and revenue	66,912,292	3,136,358	1,313,460	1,223,492	-	1,030,402	27,585,148	(1,951,665)	99,249,487
Operating expenses:									
Program services:									
Public health education	264,402	1,099	2,195	4,160	-	-	323,778	-	595,634
Professional education	22,251	-	-	-	-	-	-	-	22,251
Direct services	56,732,061	2,829,132	1,313,305	980,690	-	483,305	24,548,142	(243,332)	86,643,303
Total program services	57,018,714	2,830,231	1,315,500	984,850	-	483,305	24,871,920	(243,332)	87,261,188

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Eliminations	Total
Supporting services:									
Management and general Fundraising	\$ 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>265,115</u>	<u>654,438</u>	-	<u>1,882,355</u>
Total supporting services	8,266,614	283,985	238,410	234,468	-	437,679	2,830,004	(1,708,333)	10,582,827
Total functional expenses	65,285,328	3,114,216	1,553,910	1,219,318	-	920,984	27,701,924	(1,951,665)	97,844,015
Support of National programs	25,325	-	595	3,768	-	5,943	99,256	-	134,887
Total operating expenses	65,310,653	3,114,216	1,554,505	1,223,086	-	926,927	27,801,180	(1,951,665)	97,978,902
Increase (decrease) in net assets from operations	1,601,639	22,142	(241,045)	406	-	103,475	(216,032)	-	1,270,585
Other nonoperating expenses, gains and losses:									
Change in fair value of interest rate swaps	(939,843)	-	-	-	-	19,090	(341,643)	-	(1,262,396)
Net realized and unrealized gains on investments	456,206	-	-	-	-	100,791	12,330	-	569,327
Increase (decrease) in fair value of beneficial interest in trust held by others	1,678	-	-	(636)	-	310,400	34,132	-	345,574
Gain on sales and disposals of property, plant and equipment	3,537	-	-	-	-	-	905	-	4,442
	<u>(478,422)</u>	-	-	<u>(636)</u>	-	<u>430,281</u>	<u>(294,276)</u>	-	<u>(343,053)</u>
Increase (decrease) in net assets before effects of discontinued operations	1,123,217	22,142	(241,045)	(230)	-	533,756	(510,308)	-	927,532
Gain (loss) from discontinued operations	35,455	(168,673)	(36,111)	-	574,040	(361,575)	(124,240)	-	(81,104)
Total increase (decrease) in net assets	1,158,672	(146,531)	(277,156)	(230)	574,040	172,181	(634,548)	-	846,428
Net assets (deficit) at beginning of year	14,997,901	1,657,168	(1,975,589)	172,620	(269,614)	5,226,689	1,782,828	-	21,592,003
Net assets (deficit) at end of year	\$ 16,156,573	\$ 1,510,637	\$ (2,252,745)	\$ 172,390	\$ 304,426	\$ 5,398,870	\$ 1,148,280	\$ -	\$ 22,438,431

* Includes Agency Realty, Inc., Special 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, 2013

	<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>
Salaries and related expenses	\$ 48,037,219	\$ 2,582,606	\$ 1,300,853	\$ 950,569	\$ -	\$ 755,476	\$ 19,918,642	\$ -	\$ 73,545,365
Professional fees	6,675,312	573,778	52,230	197,171	-	128,550	3,691,127	(2,020,268)	9,297,900
Supplies	1,856,481	24,018	27,890	7,177	-	26,740	775,217	-	2,717,523
Telephone	686,084	15,458	6,469	7,864	-	6,589	134,204	-	856,668
Postage and shipping	77,619	1,528	2,726	2,455	-	908	30,823	-	116,059
Occupancy	2,249,396	55,018	148,022	83,516	-	52,053	1,566,838	-	4,154,843
Outside printing, artwork and media	77,910	4,336	5,209	7,299	-	10,719	29,282	-	134,755
Travel	2,246,338	114,616	13,324	42,513	-	10,516	193,587	-	2,620,894
Conventions and meetings	215,572	27,374	2,877	1,668	-	11,465	134,210	-	393,166
Specific assistance to individuals	735,652	87,860	2,864	-	-	595	153,144	-	980,115
Dues and subscriptions	24,498	538	4,902	1,246	-	1,280	16,753	-	49,217
Minor equipment purchases- and equipment rental	296,845	19,148	10,555	11,565	-	7,157	88,269	-	433,539
Ads, fees and miscellaneous	50,794	2,962	3,204	225	-	1,594	49,361	-	108,140
Interest	780,721	-	-	-	-	26,201	319,338	(31,275)	1,094,985
Bad debt provision	112,016	264	43,006	500	-	134,598	469,007	-	759,391
Facility tax assessment	-	-	-	-	-	-	311,041	-	311,041
Depreciation and amortization	1,238,885	793	3,868	1,734	-	3,670	367,305	-	1,616,255
	<u>\$ 65,361,342</u>	<u>\$ 3,510,297</u>	<u>\$ 1,627,999</u>	<u>\$ 1,315,502</u>	<u>\$ -</u>	<u>\$ 1,178,111</u>	<u>\$ 28,248,148</u>	<u>\$ (2,051,543)</u>	<u>\$ 99,189,856</u>

* Includes Agency Realty, 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, 2012

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Salaries and related expenses	\$ 47,631,496	\$ 2,331,243	\$ 1,227,582	\$ 887,734	\$ -	\$ 614,326	\$ 20,224,843	\$ -	\$ 72,917,224
Professional fees	7,199,064	418,106	115,331	159,033	-	163,197	3,662,564	(1,951,665)	9,765,630
Supplies	1,833,429	15,939	19,425	7,528	-	17,533	793,865	-	2,687,719
Telephone	657,148	18,761	7,247	6,753	-	5,390	141,152	-	836,451
Postage and shipping	93,190	1,684	3,293	1,912	-	999	31,390	-	132,468
Occupancy	2,072,140	64,424	147,517	82,431	-	34,178	1,431,078	-	3,831,768
Outside printing, artwork and media	76,312	2,871	5,210	6,094	-	3,538	25,631	-	119,656
Travel	2,262,901	104,480	14,508	39,640	-	8,358	256,846	-	2,686,733
Conventions and meetings	220,963	34,900	3,954	2,011	-	9,480	122,601	-	393,909
Specific assistance to individuals	654,429	107,006	120	-	-	-	165,496	-	927,051
Dues and subscriptions	24,855	200	535	573	-	325	18,869	-	45,357
Minor equipment purchases and equipment rental	545,315	11,639	6,143	21,414	-	20,837	83,541	-	688,889
Ads, fees and miscellaneous	27,523	1,165	1,609	143	-	28,858	(3,112)	-	56,186
Interest	794,332	-	-	-	-	10,725	296,755	-	1,101,812
Bad debt provision	27,075	-	-	1,925	-	-	14,744	-	43,744
Depreciation and amortization	1,165,156	1,798	1,436	2,127	-	3,240	435,661	-	1,609,418
	<u>\$ 65,285,328</u>	<u>\$ 3,114,216</u>	<u>\$ 1,553,910</u>	<u>\$ 1,219,318</u>	<u>\$ -</u>	<u>\$ 920,984</u>	<u>\$ 27,701,924</u>	<u>\$ (1,951,665)</u>	<u>\$ 97,844,015</u>

* Includes Agency Realty, Inc., Special Transit Service, Inc., Webster Place Inc., and Manchester Alcoholism Rehabilitation Center

BAKER | NEWMAN | NOYES

Certified Public Accountants

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

Single Audit Act Reports

Year Ended August 31, 2013

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

SINGLE AUDIT ACT REPORTS

August 31, 2013

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH), which comprise the consolidated statement of financial position as of August 31, 2013, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 14, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Easter Seals NH's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Easter Seals NH's internal control. Accordingly, we do not express an opinion on the effectiveness of Easter Seals NH's internal control.

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Manchester, New Hampshire
December 14, 2013

Baker Newman & Noyes
Limited Liability Company

BAKER | NEWMAN | NOYES

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited Easter Seals New Hampshire, Inc. and Subsidiaries' (Easter Seals NH) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Easter Seals NH's major federal programs for the year ended August 31, 2013. Easter Seals NH's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Easter Seals NH's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Easter Seals NH's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Easter Seals NH's compliance.

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

Opinion on Each Major Federal Program

In our opinion, Easter Seals NH complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular No. A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2013-1. Our opinion on each major federal program is not modified with respect to this matter.

Easter Seals NH's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Easter Seals NH's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the consolidated financial statements of Easter Seals NH as of and for the year ended August 31, 2013, and have issued our report thereon dated December 14, 2013, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 information has been subjected to the auditing procedures applied in the audit 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Manchester, New Hampshire
December 14, 2013

Baker Nauman & Noyes
Limited Liability Company

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2013

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Agriculture:			
Passed through the New Hampshire Department of Education:			
Child Nutrition Program:			
School Breakfast Program	10.553	02-6000618	\$ 16,876
National School Lunch Program	10.555	02-6000618	164,192
Child and Adult Care Food Program	10.558*	02-6000618	261,799
Passed through the New York Department of Education:			
Child Nutrition Program:			
Child and Adult Care Food Program	10.558*	14-6013200	<u>138,259</u>
Total U.S. Department of Agriculture			581,126
U.S. Department of Housing and Urban Development:			
Passed through the City of Dover Department of Planning and Community Development:			
CDBG Project – ES Family Place	14.218	02-6000230	35,162
Passed through the City of Manchester Community Improvement Program:			
CIP Project – Easter Seals (VNA) Child Care	14.218	02-6000517	23,250
Passed through the New York Office of Mental Retardation and Developmental Disabilities:			
Community Development Block / Entitlement Grants	14.218	14-6013200	35,411
Passed through the State of Maine Cumberland County:			
Community Development Block / Entitlement Grants	14.218	14-6013200	<u>6,000</u>
Total U.S. Department of Housing and Urban Development			99,823
U.S. Department of Justice:			
Passed through Goodwill Industries of Northern New England:			
Second Chance Act Prisoner Reentry Initiative	16.812	01-0284340	<u>1,597</u>
Total U.S. Department of Justice			1,597
U.S. Department of Labor:			
Passed through Services for the Underserved:			
Homeless Veteran’s Reintegration Program	17.805	91-1918247	41,645
Homeless Female Veterans/Veterans with Families	17.805	N/A	10,575
Passed through Easter Seals, Inc.:			
Senior Community Service Employment Program	17.235	36-2171729	<u>3,151,074</u>
Total U.S. Department of Labor			3,203,294

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended August 31, 2013

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Veteran's Affairs:			
Passed through the Harbor Homes Inc:			
VA Supportive Services for Veteran Families (SSVF)	64.033	02-0351932	\$ <u>67,939</u>
Total U.S. Department of Veteran's Affairs			67,939
Americorp National – Corporation for National and Community Service:			
Passed through the University of Maryland Department of Health Services Administration:			
Legacy Corps (Americorp)	94.006	52-6002033	<u>47,013</u>
Total Americorp National			47,013
U.S. Department of Education:			
Passed through the New Hampshire Department of Children, Youth and Families:			
Title 1 Part D Subpart 1	84.010A	02-6000618	16,090
Passed through the New York Department of Education:			
Special Education – Grants to States (IDEA 611)	84.027*	13-6007141	1,374
	84.027*	13-6007112	22,429
	84.027*	13-6007113	(2,781)
	84.027*	14-6009250	1,334
	84.027*	14-6001456	7,855
	84.027*	13-2615395	7,565
	84.207*	13-2630619	1,352
	84.207*	13-6007117	1,321
	84.027*	13-6007116	6,310
	84.027*	14-6001632	9,234
	84.027*	13-6007132	3,222
	84.027*	14-6010769	1,239
	84.027*	14-6001973	38,150
	84.027*	13-1888668	3,618
	84.027*	13-6007142	8,670
	84.027*	13-6400434	95,980
	84.027*	13-6007160	4,824
	84.027*	13-6007163	1,302
	84.027*	13-6007136	3,708
	84.027*	14-6001844	28,111
	84.027*	13-6007172	1,716
	84.027*	14-1815092	2,752
	84.027*	13-6007115	1,727
	84.027*	13-7007114	1,148
	84.027*	13-6007139	3,405

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended August 31, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Passed through the New Hampshire Bureau of Elderly and Adult Services:			
Special Programs for the Aging – Title III, Part B –			
Grants For Supportive Services and Senior Centers	93.044	02-6000618	\$ 113,219
National Family Caregiver Support	93.052	02-6000618	38,854
Social Services Block Grant	93.667	02-6000618	108,430
Medical Assistance Program (Medicaid: Title XIX)	93.778	02-6000618	124,794
CMS Research, Demonstrations and Evaluations	93.779	02-6000618	51,937
Medicare Improvements for Patients and Providers Act – Beneficiary Outreach and Assistance (MIPPA)	93.071	02-6000937	27,099
Passed through the New Hampshire Division of Public Health Bureau of Community Health Services, Alcohol & Other Drug Treatment Section:			
Substance Abuse Prevention and Treatment Block Grant	93.959	02-6000618	729,627
Regional Network	93.959	02-6000618	44,440
Substance Abuse Prevention and Treatment Project Grant	93.275	02-6000618	79,902
Passed through the New Hampshire Department of Health and Human Services:			
Child Care and Development Fund	93.596*	02-6000618	736,602
National Guard Military Operations and Maintenance	12.401*	02-6000618	800,777
Division of Public Health Services	93.991	02-6000618	10,513
Passed through the New Hampshire Department of Children, Youth and Families:			
Child Care and Development Block Grant	93.575*	02-6000618	393,473
After Hours Information & Referral Services for the DCYF System to Individuals & Law Enforcement	93.xxx	02-6000618	44,225
Passed through the Commonwealth of Massachusetts			
Department of Social Services:			
Temporary Assistance to Needy Families	93.558	04-2523961	734,152
Social Services Block Grant	93.667	04-2523961	722,930
Passed through the Rhode Island and Providence Plantations			
Department of Human Services:			
Early Intervention Part C	84.181	05-6000522	<u>62,959</u>
Total U.S. Department of Health and Human Services			<u>5,273,610</u>
Total Federal Expenditures			<u>\$ 9,631,176</u>

* Major Program

See notes to this schedule.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2013

1. Basis of Accounting

The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. Consequently, expenditures are recognized when the obligation is incurred. The Schedule of Expenditures of Federal Awards does not include matching amounts that Easter Seals NH expends in connection with its federal programs. Easter Seals NH affiliates that received federal awards that are included in the Schedule of Expenditures of Federal Awards include The Harbor Schools Incorporated, Manchester Alcoholism Rehabilitation Center, Webster Place, Inc., Easter Seals New York, Inc., Easter Seals Maine, Inc., Easter Seals Rhode Island, Inc., Easter Seals Vermont, Inc., and Easter Seals Connecticut, Inc.

2. Categorization of Expenditures

The categorization of expenditures by program included in the Schedule of Expenditures of Federal Awards is based upon the Catalog of Federal Domestic Assistance (CFDA).

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2013

SECTION I – Summary of Audit Results

Financial Statements:

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) that are not considered to be material weaknesses? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? X yes _____ no

Identification of Major Programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
10.558	U.S. Department of Agriculture: Child and Adult Care Food Program
84.027 and 84.173	U.S. Department of Education: Special Education – Grants to States (IDEA 611), Special Education – Preschool Grants (IDEA 619)
93.659 93.596 and 93.575	U.S. Department of Health and Human Services: Foster Care – Title IV-E Child Care and Development Fund, Child Care and Development Block Grant
12.401	National Guard Military Operations and Maintenance

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes _____ no

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended August 31, 2013

SECTION II – Financial Statement Findings

None reported.

SECTION III – Federal Award Findings and Questioned Costs

Reference Number:

Finding 2013-1

Federal Program Information:

U.S. Department of Agriculture: Passed through the Department of Education: Child Nutrition Program
Cluster: Child and Adult Care Food Program: CFDA #10.558

Criteria or Specific Requirement:

Allowable Costs

Condition:

Three of the seven months of meal counts reviewed did not agree to the meal counts submitted to the State for reimbursement. In total for the three months, meal counts, including breakfast, lunch and snacks, were under-reported by 604 meals. The total quantified error is \$1,046. While the net impact was favorable to the State, one of the three months resulted in over-reported costs of \$13.

Questioned Costs:

None

Context:

Compliance testing

Effect:

Total meal counts were added incorrectly and resulted in inaccurate meal counts reported to the State.

Cause:

Meal Counts for the CACFP program are maintained manually, and must be totaled each day, subtotaled each month, and then entered into a spreadsheet. Given the manual nature of the calculation, errors are more likely.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended August 31, 2013

Recommendation:

Easter Seals NH should implement an electronic system to calculate the number of meals, and reduce the likelihood of human error.

Corrective Action Taken:

As a long term solution, Easter Seals NH will investigate the feasibility of using Pro-care or a similar program for attendance and meal tracking in all locations not already using it.

Until a long term solution is implemented:

- accounting staff will work with the individual programs to develop tools and double checks to minimize errors in site sub-totals; and
- grant accounting staff will immediately begin a process of auditing meal counts by selecting one site per month to request all meal count and attendance records. These checks will be done after completion of month-end close and claims corrected as soon as possible when errors are found. Staff training will be reviewed and reinforced as needed to reduce errors. Each site will be reviewed at least once during the year.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CORRECTIVE ACTION PLAN

Year Ended August 31, 2013

Identifying Number: 2013-1

Finding: Allowable costs, Child and Adult Care Food Program

Contact: Sherry Garretson, Sr. Accountant – Grants, Easter Seals NH

Corrective Actions Taken or Planned: See Schedule of Findings and Questioned Costs

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended August 31, 2013

Finding 12-01: E-mail Encryption

Criteria:

Easter Seals NH's policies and procedures regarding secure transmitting should provide adequate means to ensure secure transmitting of potential protected health information (PHI) or other sensitive information.

Condition:

Although Easter Seals NH has a policy in place regarding secure transmitting of PHI or other sensitive information, Easter Seals NH does not utilize email encryption for this sensitive information. Additionally, there are no detective controls in place that would identify and report on PHI embedded in user emails. Software that can scan outgoing emails for predetermined "data" would enable Easter Seals NH to automatically encrypt emails and further safeguard and protect patients' health information. It was noted that Easter Seals NH is currently investigating encryption options from Citrix. A trial run has been established using Citrix's ShareFile, and Easter Seals NH is taking steps to complete a full roll out.

Context:

The deficiency identified above creates a risk that sensitive information is not securely transmitted by Easter Seals NH, which could result in a breach event as defined by the *Health Insurance Portability and Accountability Act* (HIPAA).

Effect:

The lack of appropriate controls over securely transmitting sensitive information could result in sensitive information being compromised if it is intercepted by an unintended party, and a potential liability and penalties for Easter Seals NH.

Cause:

There is a lack of sufficient detective and preventive controls relating to the secure transmitting of sensitive information.

Recommendation:

We recommend that Easter Seals NH move forward with the roll out of ShareFile, as planned. A Secure file-transfer solution that integrates with Outlook and other workflow tools could help prevent a HIPAA breach notification event and could help secure enterprise data. We also recommend that Easter Seals NH investigate solutions to scan outgoing and internal mail for potential PHI as an added measure.

Corrective Action Taken:

Easter Seals NH has moved away from the ShareFile application as a means to secure transmitted PHI in email messages and has purchased email encryption services from our hosted exchange partner. The encryption service encompasses subject and email message scanning for predetermined "data" that could be considered PHI. The encryption is administered and applied at the email account level and cannot be overridden by the sender or the recipient. Once the email is encrypted, all subsequent replies or forwards are encrypted as well. The application for the enhancement is active. Additionally we will continue to enforce Easter Seals NH's compliance policies regarding email usage and the appropriate way to protect and transmit all data.

2014 Easter Seals New Hampshire Board of Directors

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Lori Levesque

Past Chairman

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Assistant Secretary

(non voting member)

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Mission:

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.

Elin Treanor

CAREER SUMMARY:

Leadership, management and teamwork involving all business related functions and administration. Major emphasis on providing high quality and cost effective services to customers.

SKILLS & EXPERIENCE:

- Accounting, financial reporting, budgeting, internal controls, auditing, cost reporting, variance analysis, accounts payable, purchasing and payroll
- Cash management, investments, borrowing, banking relationships
- Billing, receivables, collections, funding sources, third party reimbursement
- Insurances, contracts, grants, legal issues
- Policies and procedures development, problem solving
- Financial training and consultation
- Strategic and business planning
- Liaison with Board of Directors and Committees

WORK HISTORY:

- | | |
|----------------|--|
| 1994 – Present | Easter Seals New Hampshire, Inc., Manchester, NH
<u>Senior Vice President & Chief Financial Officer</u>
Oversee fiscal management for 100 million-dollar budget size, multi-corporate, multi-state entity. Also, responsible for reception, maintenance, customer service functions. |
| 1988 – 1994 | Easter Seal Society of NH, Inc., Manchester, NH
<u>Vice President of Finance</u>
Responsible for finance functions and information systems agency wide. Instrumental in major financial turnaround from \$600,000 deficit in 1988 to \$100,000 surplus in 1989 and surpluses every year thereafter. |
| 1984 – 1988 | Easter Seal Society of NH, Inc., Manchester, NH
<u>Controller</u>
Promoted to position with added responsibilities of managing billing function and staff. Converted financial applications to integrated automated systems. Involved in corporate reorganizations to multiple entities and external corporate mergers and acquisitions. |

Elin Treanor
work history cont'd

- 1982 – 1984 Easter Seal Society of NH, Inc., Manchester, NH
Chief Accountant
Promoted to supervisory position to manage accounting, payroll, payables, purchasing. Revised budget process, audit work, procedures and monitoring systems.
- 1981 – 1982 Easter Seal Society of NH, Inc., Manchester, NH
Accountant
Promoted to take charge of general ledger, reconciliations and financial reporting. Established chart of accounts, fund accounting system and internal controls.
- 1980 – 1981 Easter Seal Society of NH, Inc., Manchester, NH
Internal Auditor
Handled accounts payable, cash flow, grant billing and review of general ledger accounts.
-

- 1974 – 1980 Marshalls, Peabody, MA
Senior Clerk
Worked as cashier, customer service representative and bookkeeper, while attending college.

EDUCATION:

- 1989 New Hampshire College, Hooksett, NH
Masters in Business Administration
- 1980 Bentley College, Waltham, MA
Bachelor of Science, Accounting Major
- 1977 North Shore Community College, Beverly, MA
Associates Degree, Accounting Major

SERVICE:

National Easter Seals:
Leader of Northeast Region Chief Financial Officers
Treasurer of Northeast Region Leadership Association
Past Chairman of the Quality Council

Harry E. Miller, Jr.

Goal:

- To become the Executive Director of Veterans Affairs for Easter Seals NH

Education:

- United States Army War College. Master of Strategic Studies, 2005
- Saint Martin's College, Master of Business Administration, 1992
- Washington and Jefferson College, Bachelor of Arts, Economics, 1980
- Valley Forge Military Jr. College, Associate of Arts, 1978

Professional Experience:

- **United States Army (1980-1992)**-12-years active duty with assignments to the 1st Armored Division, 82nd Airborne Division, and the 1st Special Forces Group
- **National Career Centers (1993-1994)**
- **Pfizer Inc (1994-Present)**
 - Primary Care Pharmaceutical Sales-VPC 1997
 - Specialty Care Pharmaceutical Sales (Neuroscience) –CMR 1998, VPC 2008
- **Army National Guard (1995-Present)** -17-years with assignments to the New Hampshire National Guard, the 1st Infantry Division/Iraq Assistance Group (Active Duty-Iraq), 5th Special Forces Group (Active Duty-Iraq), National Guard Bureau, the 10th Mountain Division (Active Duty), and the New York National Guard.

Professional Associations:

- Member, Association of the United States Army
- Member, National Guard Association of the United States
- Member, Special Forces Association
- Member, American Legion
- Member, Veterans Count Club
- Member, Horse Pond Fish and Game

Personal:

- Married with three daughters
- 2x combat veteran of Iraq, 32+ years military service
- Avid outdoorsman-interests include hunting, fishing, backpacking, and fitness training

References:

- Available upon request

Larry J. Gammon

Employment

7/88 to Present

President, Chief Executive Officer
Easter Seals New Hampshire/Vermont/New York
555 Auburn St.
Manchester, NH 03103

A member of Easter Seals National, the Agency is a comprehensive, multi-facility organization with services throughout New Hampshire, Vermont and New York. Employing over 1000 persons, and operating in excess of 40 million dollars, the Agency has services in Vocational, Educational, Residential, Clinical, Medical and Camping/Recreational. Position reports to the Chairman of the Board of Directors.

6/85 - 7/88

Executive Vice President
Vice President

8/75 - 6/85

Deputy Executive Director
Easter Seal Society/Goodwill Industries of New Hampshire/Vermont

In progressive management experiences, guided the Agency's programs through a growth from 1+ million dollar budget, and status as one of the most comprehensive service organizations in the country.

Directly responsible to the Executive Director, later President, for supervision of all professional programs of the comprehensive rehabilitation centers, with CARF accreditation in Audiology, Speech Pathology, Social Adjustment, Physical Restoration and Vocational Adjustment. In addition, the Society operates a large day school for handicapped pupils, 3 work adjustment center/sheltered workshops, a comprehensive camping program, retail sales outlets, and a pupil transportation program of 75 students per day. Duties included, but were not limited to, hiring and supervision of staff, program development, budget development and control, procuring funding, and staffing of various Board committees.

LJGammon
page 2

9/71 – 8/75 New Hampshire Easter Seal Society for Crippled Children & Adults, Inc.
870 Hayward St.
Manchester, NH 03103

Position: Facilities Director, Easter Seal School

Program Development, supervision and recruitment of staff, screening of pupils; developing budget, and securing funding.

9/70 – 7/71 New Hampshire Department of Education
Keene Public Schools
Keene, NH 03431

Position: Special Education Consultant

1 year study of special education needs of 6 small towns in New Hampshire. Responsible to 6 school boards and the New Hampshire Department of Special Education, Title VI-B Grant.

2/69 – 8/70 Gary Public Schools
Gary, IN

Position: Teacher, Special Education

Classroom teacher, M.R. Summer program for trainable M.R.

9/67 – 1/69 Charlottesville Public Schools
Charlottesville, VA

Position: Teacher M.R. – Department Chairman

Teacher, pre-vocational services, Department Chairman for Junior High age M.R. Director, Summer project (7/68), Title I.

Education

- 9/62 – 8/66 University of Virginia, Charlottesville, VA
B.S. in Special Education, emphasis in Mental Retardation. All
undergraduate courses were at the Master's Level. Dean's List, Junior &
Senior years.
- 9/66 –8/67 University of Virginia, Charlottesville, VA
36 hours of Graduate School of Education, emphasis in Administration,
Testing & Evaluation and Research. Full time graduate scholarship.
-

Service

National

Chairman, Board of Trustees, CARF, 1990-1991
Member, Board of Trustees, CARF, 1985-1991
Medders Award, Outstanding Easter Seals Executive, 1995
President, Easter Seals Leadership Association, 1998-2000

Local

Queen City Rotary Club, Member
Serenity Place, Board of Directors
Mayor's Task Force/Senior Services
Hillcrest Terrace, Board of Directors
CEO Council
Dartmouth Hitchcock Medical Center – Assembly of Overseers
YMCA Disability Council

Recognition

Non-Profit Business of the Year, *Business NH Magazine*, 2010
Non-Profit Business of the Year, *Business NH Magazine*, 2005
Non-Profit Business of the Decade, *Business NH Magazine*, 2000
Non-Profit Business of the Year, *Business NH Magazine*, 1994

Tina M. Sharby, PIIR

Human Resources Professional with multi-state experience working as a strategic partner in all aspects of Human Resources Management.

Areas of expertise include

Strong analytical and organizational skills	Problem solving and complaint resolution
Ability to manage multiple tasks simultaneously	Policy development and implementation
Employment Law and Regulation Compliance	Compensation and benefits administration
Strategic management, mergers and acquisitions	

MS Office (Word, Excel, Outlook, PowerPoint), PeopleSoft, Oracle

PROFESSIONAL EXPERIENCE

**Senior Vice President Human Resources
Easter Seals, NH, VT, NY, ME, RI, Harbor Schools & Farnum Center
1998- Present**

Reporting directly to the President with total human resources and administration. Responsible for employee relations, recruitment and retention, compensation, benefits, risk management, health and safety, staff development for over 2100 employees in a six state not-for-profit organization. Developed and implemented human resources policies to meet all organizational, state and federal requirements. Research and implemented an organizational wide benefits plan that is supportive of on-boarding and retention needs.

Developed and implemented a due diligence research and analysis system for assessing merger and acquisition opportunities. Partnered with senior staff team in preparation of strategic planning initiatives.

Member of the organizations Compliance Committee, Wellness Committee and Risk Management Committee. Attended various board meetings as part of the senior management team, and sit on the investment committee of the Board of Directors for Easter Seals NH, Inc.

**Human Resources Director
Moore Center Services, Inc., Manchester, NH
1986-1998**

Held progressively responsible positions in this not-for-profit organization of 450 employees. Responsible for the development and administration of all Human Resources activities. Implemented key regulatory compliance programs and developed innovative

employee relations initiatives in a rapidly changing business environment. Lead the expansion of the Human Resources department from basic benefit administration to becoming a key advisor to the senior management.

Key responsibilities included benefit design, implementation and administration; workers compensation administration; wage and salary administration, new employee orientation and training; policy development and communication; retirement plan administration; budgetary development; and recruitment.

EDUCATION

Bachelor of Science Degree, Keene State College, 1986
Minor in Human Resources and Safety Management

MS Organizational Leadership, Southern NH University (in process)

ORGANIZATIONS

Manchester Area Human Resource Association
Diversity Chair 2010

Society for Human Resource Management

BIA Human Resources

Health Care & Workforce Development Committee 2009, 2010

Easter Seals New Hampshire, Inc.

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Larry Gammon	President/CEO	\$352,452	0%	\$ 0
Elin Treanor	CFO	\$240,000	0%	\$ 0
Tina Sharby	Chief Human Resources Officer	\$140,000	0%	\$ 0
Harry Miller	Executive Director Vets Svcs	\$135,000	0%	\$ 0



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF COMMUNITY BASED CARE SERVICES

BUREAU OF ELDERLY & ADULT SERVICES

Nicholas A. Toumpas
Commissioner

Diane Langley, Director
Sheri Rockburn, Director

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9203 1-800-351-1888
Fax: 603-271-4643 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

May 6, 2014

G&C Approved

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

Date 6-4-14
Item # 59

REQUESTED ACTION

100% Federal funds

Authorize the Department of Health and Human Services, Division of Community Based Care Services, Bureau of Elderly and Adult Services to enter into Amendments with four ServiceLink Resource Center vendors to provide information and access to long-term supports and services to all citizens in New Hampshire by increasing the price limitation by \$110,586, from \$4,665,594 to \$4,776,180 in the aggregate, effective upon approval of Governor and Executive Council through June 30, 2015.

Summary of contracted amounts by vendor:

Vendor	Current Budget	Increase/Decrease Amount	Revised Modified Budget
Behavioral Health and Developmental Services of Strafford County, Inc. dba Community Partners of Strafford County	\$ 347,772	\$ 26,543	\$ 374,315
Community Action Program Belknap and Merrimack Counties, Inc.	\$ 486,527	\$ 30,000	\$ 516,527
Crotched Mountain Community Care, Inc.	\$ 824,191	\$ 0	\$ 824,191
Easter Seals of New Hampshire, Inc.	\$ 655,047	\$ 42,500	\$ 697,547
Grafton County Senior Citizens Council, Inc.	\$ 486,063	\$ 0	\$ 486,063
Lakes Region Partnership for Public Health, Inc.	\$ 701,558	\$ 0	\$ 701,558
Monadnock Collaborative	\$ 871,286	\$ 11,543	\$ 882,829
Tri County Community Action Program, Inc.	\$ 293,150	\$ 0	\$ 293,150
Total	\$4,665,594	\$110,586	\$4,776,180

Funds to support this request are available in the following accounts in State Fiscal Years 2014 and 2015, with authority to adjust amounts within the price limitation and amend the related terms of the contract without further approval from Governor and Executive Council.

Please see attachment for fiscal details

EXPLANATION

This requested action seeks approval of four (4) amendments that represent the \$110,586 total anticipated to be spent in specific geographic locations of the state, by adding the Medicare Improvements for Patients and Providers Act and/or the Veterans Directed Home and Community Based Program scope of work. These amendments will expand the services to geographic areas of the state that are currently not available to citizens of New Hampshire, and subsequently allow these two services to be offered statewide.

The original agreements were approved by Governor and Executive Council on December 20, 2013, item #62, as a result of a procurement process. On February 28, 2014, item #35, amendments were completed for six of the eight of the ServiceLink contractors to expand services to specific geographic regions of the state by offering Evidenced Based Care Transitions, State Health Insurance Program Trainer, Medicare Improvements for Patients and Providers Act and/or the Veterans Directed Home and Community Based Program.

Medicare Improvements for Patients and Providers Act

This service enhances counseling to Medicare Beneficiaries by directly working with low income individuals to help them reduce their cost share portion of healthcare premiums and to assist them in enrolling in these cost savings Medicare programs. This service will be offered to citizens located in the geographic regions of Merrimack, Strafford, and Hillsborough, Sullivan, and Cheshire Counties. Four contractors were selected (see Summary of Applicants) that represent \$60,586.

Veterans Directed Home and Community Based Program

This service expands the service coordination offered to Veterans and their families to find respite and supplemental services to help them stay in the community. The ServiceLink Contracts will develop and implement this program for Veterans residing in Merrimack, Strafford, and Hillsborough Counties. This service is currently slated to start in Rockingham County in SFY 15 and is operational in Belknap, Carroll, Coos, Grafton, Sullivan Counties and the Monadnock Region. Three contractors were selected (see Summary of Applicants) that represent \$50,000.

Performance Measures

The additional services described above expand upon the existing scope of services included in the current ServiceLink contracts. Performance will be measured by the following:

- Contractor shall track and report to Department on the number of people they serve in the different age groups, with different types of disabilities and to show that the Options Counseling provided enables people to make informed, cost-effective decisions about LTSS.
- Were individuals able to utilize the information provided by the Contractor, including but not limited to, applying for benefits, finding and obtaining referred services, and other forms of assistance;
- The number of individuals diverted from nursing home/institutional settings;
- The number of individuals successfully transitioning from institutional settings (i.e. number of people assisted through formal coordinated or evidence-based transitions programs).

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 6, 2014
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Should Governor and Executive Council decide not to authorize this request, New Hampshire citizens who utilize services at ServiceLink Resource Centers may not be able to access these specialized services that support them remaining in the community and assist them in reducing their healthcare costs under Medicare. Additionally, it is likely that readmissions to hospitals may increase and could consequently increase financial costs to hospitals for preventable readmissions. This decision would also increase County budgets to provide for those low income individuals who will depend on Medicaid for their nursing home care.

These contractors were selected through a Request for Application. The Department issued a Request for Applications on April 8, and April 17, 2014, for the Veterans Directed Home and Community Based Services and Medicare Improvements for Patients and Providers Act, respectively, to seek ServiceLink Resource Center contractors to provide these services in the geographic regions not currently receiving these services. (See Summary of Applicants)

The contracts include an option for two (2) one year extensions to be exercised by mutual agreement by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.

Area Served: See attached Bid Summary.

Source of Funds: 100% Federal funds.

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

Respectfully submitted,


Diane Langley
Director

Approved by:


Nicholas A. Toumpas
Commissioner

New Hampshire DHHS Contract Unit

REQUEST FOR APPLICATIONS (RFA)

**#14-DHHS-DCBCS-BEAS-RFA-01
Veterans Directed Home and Community Based Care Services**

And

**#14-DHHS-DCBCS-BEAS-RFA-02
Medicare Improvements for Patients and Providers Act**

**Summary of Applicants
DHHS selected all applications for contract**

Veterans Directed Home and Community Based Care Services			
	Bidder	Geographic Area to be Served	Department Selection
1.	Behavioral Health and Developmental Services of Strafford County, Inc. dba Community Partners	Strafford	Selected
2.	Community Action Program Belknap and Merrimack Counties, Inc.	Merrimack County	Selected
3.	Easter Seals New Hampshire Inc.	Hillsborough County, excluding the western Hillsborough County defined as the cities and towns of: Antrim, Bennington, Francestown, Greenfield, Greenville, Hancock, Mason, New Ipswich, Peterborough, Sharon, Temple, and Windsor.	Selected

Medicare Improvements for Patients and Providers Act			
	Applicants	Geographic Area to be Served	Department Selection
1.	Behavioral Health and Developmental Services of Strafford County, Inc. dba Community Partners	Strafford County	Selected
2.	Community Action Program Belknap and Merrimack Counties, Inc.	Merrimack County	Selected
3.	Easter Seals New Hampshire Inc.	Hillsborough County, excluding the western Hillsborough County defined as the cities and towns of: Antrim, Bennington, Francestown, Greenfield, Greenville, Hancock, Mason, New Ipswich, Peterborough, Sharon, Temple, and Windsor.	Selected
4.	Monadnock Collaborative	Monadnock Region defined as Cheshire County, western Hillsborough County (defined as the cities and towns of: Antrim, Bennington, Francestown, Greenfield, Greenville, Hancock, Mason, New Ipswich, Peterborough, Sharon, Temple, and Windsor), and Sullivan County (excluding Plainfield and Grantham).	Selected

FINANCIAL DETAIL ATTACHMENT SHEET

05-95-48-481010-9565 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: ELDERLY AND ADULT SERVICES, GRANTS TO LOCALS, SERVICELINK (100% General Funds)

Community Action Program Belknap-Merrimack Counties, Inc. (Vendor #177203)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500734	Contracts for Program Services	2014	\$45,560.23	\$0.00	\$45,560.23
102-500734	Contracts for Program Services	2015	\$73,886.01	\$0.00	\$73,886.01
		Subtotal	\$119,446.24	\$0.00	\$119,446.24

Behavioral Health & Development Services of Strafford County, Inc. (Vendor #177278)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500734	Contracts for Program Services	2014	\$26,543.55	\$0.00	\$26,543.55
102-500734	Contracts for Program Services	2015	\$50,596.11	\$0.00	\$50,596.11
		Subtotal	\$77,139.66	\$0.00	\$77,139.66

Crotched Mountain Community Care, Inc. (Vendor # 177293)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500734	Contracts for Program Services	2014	\$47,773.71	\$0.00	\$47,773.71
102-500734	Contracts for Program Services	2015	\$113,874.54	\$0.00	\$113,874.54
		Subtotal	\$161,648.25	\$0.00	\$161,648.25

Easter Seals New Hampshire, Inc. (Vendor # 177204)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500734	Contracts for Program Services	2014	\$43,850.80	\$0.00	\$43,850.80
102-500734	Contracts for Program Services	2015	\$85,235.23	\$0.00	\$85,235.23
		Subtotal	\$129,086.03	\$0.00	\$129,086.03

Grafton County Senior Citizens Council, Inc. (Vendor # 177675)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500734	Contracts for Program Services	2014	\$4,461.39	\$0.00	\$4,461.39
102-500734	Contracts for Program Services	2015	\$8,452.96	\$0.00	\$8,452.96
		Subtotal	\$12,914.35	\$0.00	\$12,914.35

Lakes Region Partnership for Public Health (Vendor # 165635)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500734	Contracts for Program Services	2014	\$29,413.08	\$0.00	\$29,413.08
102-500734	Contracts for Program Services	2015	\$68,229.34	\$0.00	\$68,229.34
		Subtotal	\$97,642.42	\$0.00	\$97,642.42

Monadnock Collaborative (Vendor # 159303)					
Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500734	Contracts for Program Services	2014	\$36,812.08	\$0.00	\$36,812.08
102-500734	Contracts for Program Services	2015	\$77,025.44	\$0.00	\$77,025.44
		Subtotal	\$113,837.52	\$0.00	\$113,837.52

Tri County Community Action Program, Inc. (Vendor # 177195)					
Class/Account	Contracts for Program Svcs	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500734	Contracts for Program Services	2014	\$18,583.97	\$0.00	\$18,583.97
102-500734	Contracts for Program Services	2015	\$28,700.70	\$0.00	\$28,700.70
		Subtotal	\$47,284.67	\$0.00	\$47,284.67

Total 9565	\$758,999.14	\$0.00	\$758,999.14
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05-95-48-481510-6180 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: ELDERLY AND ADULT SERVICES, MEDICAL SERVICES, LTC ASSESSMENT AND COUNSELING (50% Federal Funds; 50% General Funds)

Community Action Program Belknap-Merrimack Counties, Inc. (Vendor #177203)					
Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
550-500398	Assessment & Counseling	2014	\$52,108.03	\$0.00	\$52,108.03
550-500398	Assessment & Counseling	2015	\$102,351.27	\$0.00	\$102,351.27
		Subtotal	\$154,459.30	\$0.00	\$154,459.30

Behavioral Health & Development Services of Strafford County, Inc. (Vendor #177278)					
Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
550-500398	Assessment & Counseling	2014	\$43,781.78	\$0.00	\$43,781.78
550-500398	Assessment & Counseling	2015	\$96,117.28	\$0.00	\$96,117.28
		Subtotal	\$139,899.06	\$0.00	\$139,899.06

Crotched Mountain Community Care, Inc. (Vendor # 177293)					
Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
550-500398	Assessment & Counseling	2014	\$103,489.90	\$0.00	\$103,489.90
550-500398	Assessment & Counseling	2015	\$293,917.84	\$0.00	\$293,917.84
		Subtotal	\$397,407.74	\$0.00	\$397,407.74

Easter Seals New Hampshire, Inc. (Vendor # 177204)					
Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
550-500398	Assessment & Counseling	2014	\$94,992.73	\$0.00	\$94,992.73
550-500398	Assessment & Counseling	2015	\$219,997.83	\$0.00	\$219,997.83
		Subtotal	\$314,990.56	\$0.00	\$314,990.56

Grafton County Senior Citizens Council, Inc. (Vendor # 177675)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
550-500398	Assessment & Counseling	2014	\$70,670.65	\$0.00	\$70,670.65
550-500398	Assessment & Counseling	2015	\$187,172.17	\$0.00	\$187,172.17
		Subtotal	\$257,842.82	\$0.00	\$257,842.82

Lakes Region Partnership for Public Health (Vendor # 165635)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
550-500398	Assessment & Counseling	2014	\$72,396.82	\$0.00	\$72,396.82
550-500398	Assessment & Counseling	2015	\$117,724.75	\$0.00	\$117,724.75
		Subtotal	\$190,121.57	\$0.00	\$190,121.57

Monadnock Collaborative (Vendor # 159303)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
550-500398	Assessment & Counseling	2014	\$79,026.42	\$0.00	\$79,026.42
550-500398	Assessment & Counseling	2015	\$159,456.44	\$0.00	\$159,456.44
		Subtotal	\$238,482.86	\$0.00	\$238,482.86

Tri County Community Action Program, Inc. (Vendor # 177195)

Class/Account	Contracts for Program Svcs	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
550-500398	Assessment & Counseling	2014	\$39,245.63	\$0.00	\$39,245.63
550-500398	Assessment & Counseling	2015	\$86,664.22	\$0.00	\$86,664.22
		Subtotal	\$125,909.85	\$0.00	\$125,909.85

Total 6180	\$1,819,113.76	\$0.00	\$1,819,113.76
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05-95-48-481010-9255 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: ELDERLY AND ADULT SERVICES, GRANTS TO LOCALS, SOCIAL SERVICE BLOCK GRANT (44.31% Federal Funds; 55.69% General Funds)

Community Action Program Belknap-Merrimack Counties, Inc. (Vendor #177203)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
545-500387	I & R Contracts	2014	\$14,601.06	\$0.00	\$14,601.06
545-500387	I & R Contracts	2015	\$21,531.35	\$0.00	\$21,531.35
		Subtotal	\$36,132.41	\$0.00	\$36,132.41

Behavioral Health & Development Services of Strafford County, Inc. (Vendor #177278)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
545-500387	I & R Contracts	2014	\$8,506.63	\$0.00	\$8,506.63
545-500387	I & R Contracts	2015	\$14,744.37	\$0.00	\$14,744.37
		Subtotal	\$23,251.00	\$0.00	\$23,251.00

Crotched Mountain Community Care, Inc. (Vendor # 177293)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
545-500387	I & R Contracts	2014	\$15,310.44	\$0.00	\$15,310.44
545-500387	I & R Contracts	2015	\$33,184.53	\$0.00	\$33,184.53
		Subtotal	\$48,494.97	\$0.00	\$48,494.97

Easter Seals New Hampshire, Inc. (Vendor # 177204)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
545-500387	I & R Contracts	2014	\$14,053.23	\$0.00	\$14,053.23
545-500387	I & R Contracts	2015	\$24,838.66	\$0.00	\$24,838.66
		Subtotal	\$38,891.89	\$0.00	\$38,891.89

Grafton County Senior Citizens Council, Inc. (Vendor # 177675)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
545-500387	I & R Contracts	2014	\$1,429.78	\$0.00	\$1,429.78
545-500387	I & R Contracts	2015	\$2,463.30	\$0.00	\$2,463.30
		Subtotal	\$3,893.08	\$0.00	\$3,893.08

Lakes Region Partnership for Public Health (Vendor # 165635)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
545-500387	I & R Contracts	2014	\$9,426.25	\$0.00	\$9,426.25
545-500387	I & R Contracts	2015	\$19,882.92	\$0.00	\$19,882.92
		Subtotal	\$29,309.17	\$0.00	\$29,309.17

Monadnock Collaborative (Vendor # 159303)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
545-500387	I & R Contracts	2014	\$11,797.47	\$0.00	\$11,797.47
545-500387	I & R Contracts	2015	\$22,446.22	\$0.00	\$22,446.22
		Subtotal	\$34,243.69	\$0.00	\$34,243.69

Tri County Community Action Program, Inc. (Vendor # 177195)

Class/Account	Contracts for Program Svcs	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
545-500387	I & R Contracts	2014	\$5,955.76	\$0.00	\$5,955.76
545-500387	I & R Contracts	2015	\$8,363.76	\$0.00	\$8,363.76
		Subtotal	\$14,319.52	\$0.00	\$14,319.52

Total 9255	\$228,535.73	\$0.00	\$228,535.73
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\$228,535.73

05-95-48-481010-7872 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: ELDERLY AND ADULT SERVICES, GRANTS TO LOCALS, ADM ON AGING GRANTS (92% Federal Funds; 8% General Funds)

Community Action Program Belknap-Merrimack Counties, Inc. (Vendor #177203)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
072-500575	Grants - Federal	2014	\$8,673.63	\$2,142.86	\$10,816.49
570-500928	Family Caregiver	2014	\$22,651.86	\$0.00	\$22,651.86
072-500575	Grants - Federal	2015	\$6,024.62	\$12,857.14	\$18,881.76
570-500928	Family Caregiver	2015	\$41,218.00	\$0.00	\$41,218.00
		Subtotal	\$78,568.11	\$15,000.00	\$93,568.11

Behavioral Health & Development Services of Strafford County, Inc. (Vendor #177278)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
072-500575	Grants - Federal	2014	\$12,668.04	\$0.00	\$12,668.04
570-500928	Family Caregiver	2014	\$8,750.00	\$0.00	\$8,750.00
072-500575	Grants - Federal	2015	\$7,542.24	\$15,000.00	\$22,542.24
570-500928	Family Caregiver	2015	\$16,500.00	\$0.00	\$16,500.00
		Subtotal	\$45,460.28	\$15,000.00	\$60,460.28

Crotched Mountain Community Care, Inc. (Vendor # 177293)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
072-500575	Grants - Federal	2014	\$36,806.11	\$0.00	\$36,806.11
570-500928	Family Caregiver	2014	\$13,380.27	\$0.00	\$13,380.27
072-500575	Grants - Federal	2015	\$49,423.99	\$0.00	\$49,423.99
570-500928	Family Caregiver	2015	\$40,961.98	\$0.00	\$40,961.98
		Subtotal	\$140,572.35	\$0.00	\$140,572.35

Easter Seals New Hampshire, Inc. (Vendor # 177204)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
072-500575	Grants - Federal	2014	\$33,783.79	\$0.00	\$33,783.79
570-500928	Family Caregiver	2014	\$19,587.04	\$0.00	\$19,587.04
072-500575	Grants - Federal	2015	\$20,329.29	\$20,000.00	\$40,329.29
570-500928	Family Caregiver	2015	\$38,621.06	\$0.00	\$38,621.06
		Subtotal	\$112,321.18	\$20,000.00	\$132,321.18

Grafton County Senior Citizens Council, Inc. (Vendor # 177675)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
072-500575	Grants - Federal	2014	\$52,886.87	\$0.00	\$52,886.87
570-500928	Family Caregiver	2014	\$22,447.49	\$0.00	\$22,447.49
072-500575	Grants - Federal	2015	\$23,721.48	\$0.00	\$23,721.48
570-500928	Family Caregiver	2015	\$47,532.85	\$0.00	\$47,532.85
		Subtotal	\$146,588.69	\$0.00	\$146,588.69

Lakes Region Partnership for Public Health (Vendor # 165635)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
072-500575	Grants - Federal	2014	\$54,447.85	\$0.00	\$54,447.85
570-500928	Family Caregiver	2014	\$38,988.00	\$0.00	\$38,988.00
072-500575	Grants - Federal	2015	\$73,936.99	\$0.00	\$73,936.99
570-500928	Family Caregiver	2015	\$78,360.00	\$0.00	\$78,360.00
		Subtotal	\$245,732.84	\$0.00	\$245,732.84

Monadnock Collaborative (Vendor # 159303)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
072-500575	Grants - Federal	2014	\$65,650.64	\$0.00	\$65,650.64
570-500928	Family Caregiver	2014	\$34,453.80	\$0.00	\$34,453.80
072-500575	Grants - Federal	2015	\$127,429.70	\$0.00	\$127,429.70
570-500928	Family Caregiver	2015	\$70,338.63	\$0.00	\$70,338.63
		Subtotal	\$297,872.77	\$0.00	\$297,872.77

Tri County Community Action Program, Inc. (Vendor # 177195)

Class/Account	Contracts for Program Svcs	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
072-500575	Grants - Federal	2014	\$16,843.26	\$0.00	\$16,843.26
570-500928	Family Caregiver	2014	\$11,902.00	\$0.00	\$11,902.00
072-500575	Grants - Federal	2015	\$8,497.43	\$0.00	\$8,497.43
570-500928	Family Caregiver	2015	\$23,410.00	\$0.00	\$23,410.00
		Subtotal	\$60,652.69	\$0.00	\$60,652.69

SFY14
SFY15

Total 7872	\$1,127,768.91	\$50,000.00	\$1,177,768.91
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\$1,177,768.91

05-95-48-481010-8925 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: ELDERLY AND ADULT SERVICES, GRANTS TO LOCALS, MEDICAL SERVICE GRANTS (100% Federal Funds)

Community Action Program Belknap-Merrimack Counties, Inc. (Vendor #177203)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$14,389.94	\$0.00	\$14,389.94
102-500731	Contracts for Program Services	2015	\$26,288.00	\$0.00	\$26,288.00
		Subtotal	\$40,677.94	\$0.00	\$40,677.94

Behavioral Health & Development Services of Strafford County, Inc. (Vendor #177278)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$10,913.00	\$0.00	\$10,913.00
102-500731	Contracts for Program Services	2015	\$17,986.00	\$0.00	\$17,986.00
		Subtotal	\$28,899.00	\$0.00	\$28,899.00

Crotched Mountain Community Care, Inc. (Vendor # 177293)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$8,270.59	\$0.00	\$8,270.59
102-500731	Contracts for Program Services	2015	\$19,861.16	\$0.00	\$19,861.16
		Subtotal	\$28,131.75	\$0.00	\$28,131.75

Easter Seals New Hampshire, Inc. (Vendor # 177204)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$14,911.91	\$0.00	\$14,911.91
102-500731	Contracts for Program Services	2015	\$25,948.65	\$0.00	\$25,948.65
		Subtotal	\$40,860.56	\$0.00	\$40,860.56

Grafton County Senior Citizens Council, Inc. (Vendor # 177675)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$11,052.67	\$0.00	\$11,052.67
102-500731	Contracts for Program Services	2015	\$21,519.85	\$0.00	\$21,519.85
		Subtotal	\$32,572.52	\$0.00	\$32,572.52

Lakes Region Partnership for Public Health (Vendor # 165635)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$21,164.00	\$0.00	\$21,164.00
102-500731	Contracts for Program Services	2015	\$46,976.00	\$0.00	\$46,976.00
		Subtotal	\$68,140.00	\$0.00	\$68,140.00

Monadnock Collaborative (Vendor # 159303)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$42,112.84	\$0.00	\$42,112.84
102-500731	Contracts for Program Services	2015	\$79,020.32	\$0.00	\$79,020.32
		Subtotal	\$121,133.16	\$0.00	\$121,133.16

Tri County Community Action Program, Inc. (Vendor # 177195)

Class/Account	Contracts for Program Svcs	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$6,371.15	\$0.00	\$6,371.15
102-500731	Contracts for Program Services	2015	\$11,087.20	\$0.00	\$11,087.20
		Subtotal	\$17,458.35	\$0.00	\$17,458.35

Total 8925	\$377,873.28	\$0.00	\$377,873.28
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\$377,873.28

05-95-48-481010-3317 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: ELDERLY AND ADULT SERVICES, GRANTS TO LOCALS, ADMIN ON AGING SVCS GRANT - SMPP (75% Federal Funds; 25% General Funds)

Community Action Program Belknap-Merrimack Counties, Inc. (Vendor #177203)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$17,946.00	\$0.00	\$17,946.00
102-500731	Contracts for Program Services	2015	\$39,297.00	\$0.00	\$39,297.00
		Subtotal	\$57,243.00	\$0.00	\$57,243.00

Behavioral Health & Development Services of Strafford County, Inc. (Vendor #177278)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$10,813.00	\$0.00	\$10,813.00
102-500731	Contracts for Program Services	2015	\$22,310.00	\$0.00	\$22,310.00
		Subtotal	\$33,123.00	\$0.00	\$33,123.00

Crotched Mountain Community Care, Inc. (Vendor # 177293)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$11,573.94	\$0.00	\$11,573.94
102-500731	Contracts for Program Services	2015	\$28,381.00	\$0.00	\$28,381.00
		Subtotal	\$39,954.94	\$0.00	\$39,954.94

Easter Seals New Hampshire, Inc. (Vendor # 177204)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$8,499.81	\$0.00	\$8,499.81
102-500731	Contracts for Program Services	2015	\$10,396.97	\$0.00	\$10,396.97
		Subtotal	\$18,896.78	\$0.00	\$18,896.78

Grafton County Senior Citizens Council, Inc. (Vendor # 177675)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$9,460.04	\$0.00	\$9,460.04
102-500731	Contracts for Program Services	2015	\$12,173.50	\$0.00	\$12,173.50
		Subtotal	\$21,633.54	\$0.00	\$21,633.54

Lakes Region Partnership for Public Health (Vendor # 165635)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$16,869.00	\$0.00	\$16,869.00
102-500731	Contracts for Program Services	2015	\$42,224.00	\$0.00	\$42,224.00
		Subtotal	\$59,093.00	\$0.00	\$59,093.00

Monadnock Collaborative (Vendor # 159303)					
Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$21,800.22	\$0.00	\$21,800.22
102-500731	Contracts for Program Services	2015	\$43,915.78	\$0.00	\$43,915.78
		Subtotal	\$65,716.00	\$0.00	\$65,716.00

Tri County Community Action Program, Inc. (Vendor # 177195)					
Class/Account	Contracts for Program Svcs	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$9,688.86	\$0.00	\$9,688.86
102-500731	Contracts for Program Services	2015	\$12,026.06	\$0.00	\$12,026.06
		Subtotal	\$21,714.92	\$0.00	\$21,714.92

Total 3317	\$317,375.18	\$0.00	\$317,375.18
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05-95-48-481010-8888 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: ELDERLY AND ADULT SERVICES, GRANTS TO LOCALS, ADMIN ON AGING SVCS GRANT - MIPPA (100% Federal Funds)

Community Action Program Belknap-Merrimack Counties, Inc. (Vendor #177203)					
Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$0.00	\$10,000.00	\$10,000.00
102-500731	Contracts for Program Services	2015	\$0.00	\$5,000.00	\$5,000.00
		Subtotal	\$0.00	\$15,000.00	\$15,000.00

Behavioral Health & Development Services of Strafford County, Inc. (Vendor #177278)					
Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$0.00	\$7,226.00	\$7,226.00
102-500731	Contracts for Program Services	2015	\$0.00	\$4,317.00	\$4,317.00
		Subtotal	\$0.00	\$11,543.00	\$11,543.00

Crotched Mountain Community Care, Inc. (Vendor # 177293)					
Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$5,652.00	\$0.00	\$5,652.00
102-500731	Contracts for Program Services	2015	\$2,329.00	\$0.00	\$2,329.00
		Subtotal	\$7,981.00	\$0.00	\$7,981.00

Easter Seals New Hampshire, Inc. (Vendor # 177204)					
Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$0.00	\$13,500.00	\$13,500.00
102-500731	Contracts for Program Services	2015	\$0.00	\$9,000.00	\$9,000.00
		Subtotal	\$0.00	\$22,500.00	\$22,500.00

Grafton County Senior Citizens Council, Inc. (Vendor # 177675)					
Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$7,964.00	\$0.00	\$7,964.00
102-500731	Contracts for Program Services	2015	\$2,654.00	\$0.00	\$2,654.00
		Subtotal	\$10,618.00	\$0.00	\$10,618.00

Lakes Region Partnership for Public Health (Vendor # 165635)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$6,603.00	\$0.00	\$6,603.00
102-500731	Contracts for Program Services	2015	\$4,916.00	\$0.00	\$4,916.00
		Subtotal	\$11,519.00	\$0.00	\$11,519.00

Monadnock Collaborative (Vendor # 159303)

Class/Account	Class Title	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$0.00	\$7,226.00	\$7,226.00
102-500731	Contracts for Program Services	2015	\$0.00	\$4,317.00	\$4,317.00
		Subtotal	\$0.00	\$11,543.00	\$11,543.00

Tri County Community Action Program, Inc. (Vendor # 177195)

Class/Account	Contracts for Program Svcs	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
102-500731	Contracts for Program Services	2014	\$4,343.00	\$0.00	\$4,343.00
102-500731	Contracts for Program Services	2015	\$1,467.00	\$0.00	\$1,467.00
		Subtotal	\$5,810.00	\$0.00	\$5,810.00

Total 8888	\$35,928.00	\$60,586.00	\$96,514.00
			\$96,514.00

Summary by Vendor by Year

Community Action Program Belknap-Merrimack Counties, Inc. (Vendor #177203)

	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
	2014	\$175,930.75	\$12,142.86	\$188,073.61
	2015	\$310,596.25	\$17,857.14	\$328,453.39
	Subtotal	\$486,527.00	\$30,000.00	\$516,527.00

Behavioral Health & Development Services of Strafford County, Inc. (Vendor #177278)

	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
	2014	\$121,976.00	\$7,226.00	\$129,202.00
	2015	\$225,796.00	\$19,317.00	\$245,113.00
	Subtotal	\$347,772.00	\$26,543.00	\$374,315.00

Crotched Mountain Community Care, Inc. (Vendor # 177293)

	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
	2014	\$242,256.96	\$0.00	\$242,256.96
	2015	\$581,934.04	\$0.00	\$581,934.04
	Subtotal	\$824,191.00	\$0.00	\$824,191.00

Easter Seals New Hampshire, Inc. (Vendor # 177204)

	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
	2014	\$229,679.31	\$13,500.00	\$243,179.31
	2015	\$425,367.69	\$29,000.00	\$454,367.69
	Subtotal	\$655,047.00	\$42,500.00	\$697,547.00

Grafton County Senior Citizens Council, Inc. (Vendor # 177675)

	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
	2014	\$180,372.89	\$0.00	\$180,372.89
	2015	\$305,690.11	\$0.00	\$305,690.11
	Subtotal	\$486,063.00	\$0.00	\$486,063.00

Lakes Region Partnership for Public Health (Vendor # 165635)

	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
	2014	\$249,308.00	\$0.00	\$249,308.00
	2015	\$452,250.00	\$0.00	\$452,250.00
	Subtotal	\$701,558.00	\$0.00	\$701,558.00

Monadnock Collaborative (Vendor # 159303)

	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
	2014	\$291,653.47	\$7,226.00	\$298,879.47
	2015	\$579,632.53	\$4,317.00	\$583,949.53
	Subtotal	\$871,286.00	\$11,543.00	\$882,829.00

Tri County Community Action Program, Inc. (Vendor # 177195)

	State Fiscal Year	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
	2014	\$112,933.63	\$0.00	\$112,933.63
	2015	\$180,216.37	\$0.00	\$180,216.37
	Subtotal	\$293,150.00	\$0.00	\$293,150.00

Grand Total SFY14		\$1,604,111.01	\$40,094.86	\$1,644,205.87
Grand Total SFY15		\$3,061,482.99	\$70,491.14	\$3,131,974.13
Total Contract		\$4,665,594.00	\$110,586.00	\$4,776,180.00

Account Name	Account #	Current Modified Budget	Increased (Decreased) Budget	Revised Modified Budget
ServiceLink	9565	\$758,999.14	\$0.00	\$758,999.14
Assessment and Counseling	6180	\$1,819,113.76	\$0.00	\$1,819,113.76
Social Services Block Grant: Information and Referral	9255	\$228,535.73	\$0.00	\$228,535.73
Caregiver and ADRC	7872	\$1,127,768.91	\$50,000.00	\$1,177,768.91
Medical Service Grant: SHIP	8925	\$377,873.28	\$0.00	\$377,873.28
Admin on Aging Service Grant: SMPP	3317	\$317,375.18	\$0.00	\$317,375.18
Admin on Aging Service Grant: MIPPA	8888	\$35,928.00	\$60,586.00	\$96,514.00
Summary of Totals		\$4,665,594.00	\$110,586.00	\$4,776,180.00



State of New Hampshire
Department of Health and Human Services
Amendment #1 to the Easter Seals of New Hampshire Inc. Contract

This 1st Amendment to the ServiceLink Program contract (hereinafter referred to as "Amendment #1") dated this 1st day of May 2014, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Easter Seals of New Hampshire, Inc. (hereinafter referred to as "the Contractor"), a nonprofit corporation with a place of business at 55 Auburn Street, Manchester, NH 03103.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on December 20, 2013, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to the General Provisions, Paragraph 18, the State may amend the Contract by written agreement of the parties; and

WHEREAS the Department is adding scope of services to be performed;

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

- 1) Amendment and modification of P-37 "Agreement":
 - a. Change Price Limitation in Block 1.8 of the P-37 to read \$697,547.
- 2) Amendment and modification of Exhibit A:
 - a. Add Section 4.6.12 under Section 4 of the New Hampshire Family Caregiver Program
4.6.12 The ServiceLink Contract shall coordinate at least one Powerful Tools for Caregivers Workshop series per State Fiscal Year, with a minimum of ten (10) caregivers completing the workshop series.
- 3) Adding Exhibit A-1.
- 4) Amendment and modification of Exhibit B:
 - a. Deleting Exhibit B and replacing with Exhibit B Amendment #1.
- 5) Adding Exhibits B-11 through B-13.

New Hampshire Department of Health and Humans Services
New Hampshire ServiceLink Program



This amendment shall be effective upon the date of Governor and Executive Council approval.

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

State of New Hampshire
Department of Health and Human Services

8/7/14
Date

NAME
TITLE

[Signature]

Easter Seals of New Hampshire, Inc.

5/16/2014
Date

NAME Elin Teardo
TITLE CFU

[Signature]

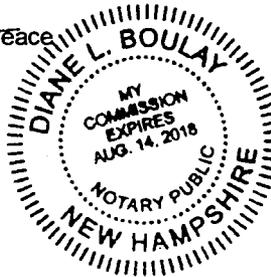
Acknowledgement:

State of New Hampshire, County of Hillsborough on 5/16/2014, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Diane L Boulay

Name and Title of Notary or Justice of the Peace





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

OFFICE OF THE ATTORNEY GENERAL

5-14-14
Date

Rosemary Wiant
Name: *Rosemary Wiant*
Title: *Assistant Attorney General*

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

Contractor Initials: *EW*
Date: *5/16/14*



Scope of Services

1. The Contractor shall provide Veterans the opportunity to receive home and community based services in a consumer directed fashion that enables them to avoid nursing home placement and to continue to live in their homes and communities.
 - 1.1. Develop and implement a VDHCBS program to provide the services described in paragraph 1.2, in the following ways:
 - 1.1.1. Enter into a provider agreement with the White River Junction Veteran's Administration Medical Center (WRJ VAMC), Vermont and/or the Manchester Veteran's Administration Medical Center (Manchester VAMC). The agreement is to be based on the Memorandum of Agreement between the Department and the WRJ and/or Manchester VAMC. Under the Agreement, the contractor shall be responsible for service coordination in paragraph 1.2.
 - 1.1.2. Establish an advisory group to oversee the development, implementation of the program and provide ongoing feedback for continuous improvement of the program and services. Membership is to include representation from key community resources, local Veterans' organizations, Veterans and families of Veterans utilizing the program, and the public.
 - 1.1.3. Establish a budget for the costs to develop and implement the program. The Department provides funding for the development and implementation limited to the following:
 - 1.1.3.1. Staff development and training: This includes costs of trainings for staff, recruiting and hiring new staff, costs of salaries for newly hired staff during development and implementation of the program.
 - 1.1.3.2. Travel costs associated with capacity building: Staff mileage to training sites, staff mileage related to providing education and outreach to the public about the program, assisting the Veteran in getting services and in identifying service providers and services, and development and implementation of the advisory committee.
 - 1.1.3.3. Development and implementation of business processes related to the VD-HCBS Program: computer equipment, telephone expenses, and office furniture for new staff.
 - 1.1.3.4. Once the program has been established, the VAMC will, under their agreement with the Contractor, reimburse the Contractor for the administration of the program and the Veteran's services, in paragraph 1.2.
 - 1.1.4. Provide or contract with an agency to provide financial management services in accordance with the roles and responsibilities of an agency with choice model.
 - 1.1.5. Provide a minimum of a .5 FTE Veterans Options counselor to provide counseling, assessment, service coordination, and assistance to Veterans participating in the program in developing and managing an individual service budget.
 - 1.1.6. Ensure that key staffs such as the SLRC Program Director, site supervisors, caregiver specialists, and options counselors have been trained to provide initial start-up and collaborative support for the program.
 - 1.1.7. Within ninety (90) days from the effective date of the contract, the contractor will complete a Program orientation and participate in a readiness review by the Department, in accordance with the Program/Policy Guide.
 - 1.1.8. Reviews will be conducted by monthly face to face meetings, conference calls and webinars.

ET

5/14/2014



- 1.2. Have the program infrastructure in place within ninety (90) days from the effective date of the contract and is actively providing options counseling and assisting Veterans in arranging consumer directed services by:
 - 1.2.1. Maintain the provider agreement in paragraph 1.1 and the contractor shall be responsible for service coordination for the Veteran by:
 - 1.2.1.1. Accept referrals of eligible Veterans from at least one of the VAMC in paragraph 1.1. The Veterans Administration is responsible for determining the eligibility of Veterans for the program and for authorizing a budget to buy long term supports and services for the Veteran. The Veterans Administration will refer eligible Veterans with an authorized flexible service budget to the contractor.
 - 1.2.1.2. Provide options counseling to Veterans and their families as they determine how to use their flexible home and community based services budget to meet their long term supports and service needs, goals, and preferences. At a minimum, options counseling shall include an assessment, plan of care and identify type of services to meet the needs to the Veteran to remain in the home and community. The Contractor shall submit the Veteran's plans of care with types of services to the VAMC for approval before the Veteran receives services. The Contractor shall comply with the VAMC and the Department's program and policies guide for linking Veterans with needed Long term services and supports and making mutual referrals.
 - 1.2.1.3. Provide or maintain the contract with an agency to provide financial management services in accordance with the roles and responsibilities of an agency with choice model.
 - 1.2.1.4. Seek reimbursements for service coordination through the VAMC. Once the program has been established, the VAMC will, under their agreement with the Contractor, reimburse the Contractor for the administration of the program and the Veteran's services.
 - 1.2.2. Assure the following:
 - 1.2.2.1. All Veterans referred to the program from the VAMCs are contacted within 3 business days of the referral to ServiceLink contractor to set up a date for assessment.
 - 1.2.2.2. 100% of services provided are based on the needs and preferences of the participating Veteran.
 - 1.2.2.3. Veterans enrolled in the program decide what mix of goods and services will best meet their needs for long term care support.
 - 1.2.2.4. Of the Veterans served, there will be a 90 % or better, consumer satisfaction rate.
 - 1.2.3. Comply with procedures for reporting requirements defined by DHHS.
 - 1.2.4. Provide this service to individuals located in the cities and towns in the geographic area of Hillsborough (excluding the towns of Western Hillsborough defined as: Antrim, Bennington, Frankestown, Greenfield, Greenville, Hancock, Mason, New Ipswich, Peterborough, Sharon, Temple, and Windsor).
 - 1.2.5. Enter contact data into the Refer 7 data base to increase the amount of resources available within a geographic area in Section 1.2.4 to serve Veterans.
 - 1.2.6. Assure that documentation required by both the Department and the VAMC is kept current and submitted according to the program and policy guide.
- 1.3. Participate in continuous process improvement activities with the Department and/or the VAMC to evaluate and improve the quality of the program and its policies and processes by attending monthly meetings, trainings, and conference calls.

ET

5/16/2014



2. The Contractor shall provide Medicare Improvements for Patients and Providers Act (MIPPA) services as follows:
 - 2.1. Provide MIPPA services to assist Medicare beneficiaries to:
 - 2.1.1. Reduce Medicare cost share expenses for people with limited income by enrolling beneficiaries into the low-income subsidy (LIS) and Medicare Savings Programs (MSP); and enrolling beneficiaries in Medicare Part D prescription coverage.
 - 2.1.2. Increase wellness and prevent illnesses among all Medicare beneficiaries by increasing and promoting awareness of Medicare's preventive and screening services.
 - 2.2. Promote the Medicare programs described in Section 2.1 by conducting outreach and education to increase the number of people enrolled into these programs. To assist the Department in determining the outreach and education strategies to implement in the specific geographic area, the contractor shall complete assessments and analysis to determine the effectiveness of informing Medicare beneficiaries and having them enroll in the programs. Specifically the contractor shall:
 - 2.2.1. Complete an assessment of past outreach activities that targeted low income Medicare beneficiaries and those people who may not have physical access to ServiceLink contractor offices, internet access, or access to a telephone. The Department will provide the data to the contractor for the specific geographic area list above. Data will include existing and past outreach and education materials and strategies used in the specific geographic area. The contractor shall report the findings to the Department.
 - 2.2.2. Complete an analysis of Social Security and Centers for Medicaid and Medicare Services statistics to identify target areas for outreach. The Department will provide the data to the contractor for the specific geographic area listed above. The contractor shall report the findings to the Department.
 - 2.2.3. Assess current and past partnerships with other agencies and community services.
 - 2.3. The Department will review the contractor's results of the assessment and analysis described in Section 2.2 and will determine the best outreach approaches, target population and geographic area for the contractor to conduct outreach, education and assistance to meet the goals in Section 2.7 Performance Measures. Outreach and education consists of the following, but not limited to:
 - 2.3.1. Promote the availability of Medicare preventive services such as wellness screenings and flu shots to Medicare beneficiaries through the distribution of promotional materials developed by CMS and BEAS;
 - 2.3.2. Set and implement calendar for outreach campaigns (2 per month for each ADRC): (1) Mail introductory letters to town offices, housing sites, home health agencies, Parish Nurses, public libraries, hospital public affair managers, pharmacies, and medical practices; (2) Do follow-up contacts and (3) Arrange face to face meetings.
 - 2.3.3. Develop contact list of all fitness centers, health clubs, senior-based websites, AARP local Chapters, churches, senior and community centers, meal sites, and public libraries. The contractor shall request to partner with these contacts to communicate awareness of Medicare Programs listed in Section 2.1
 - 2.3.4. Work in consultation with NH SHIP Director and the other ServiceLink contractors to set up MIPPA Email list Serve for State/agency leads – Client Services, Medicaid Eligibility, Fuel Assistance, hospital charitable offices, Minority



- Services, Sight and Hearing Impaired groups –to disseminate LIS/MSP objectives. The developed email List Serve will be used to communicate awareness of Medicare Programs listed in Section 2.1.
- 2.3.5. Develop a media list for the geographic area to be covered – radio stations, newspapers, agency/hospital web-based newsletters and other community websites to share LIS/MSP and Preventive benefits. The media list will be used to implement advertising activities to communicate awareness of Medicare Programs listed in Section 2.1.
 - 2.3.6. Write scripts for Radio, newspapers, and public service announcements. The Department shall approve them prior to publication.
 - 2.3.7. The contractor will be responsible for purchasing the media in their local area.
 - 2.4. Insure staffing capacity to insure a demonstrated increase and enhanced beneficiary access to a counselor workforce that is trained and fully equipped and proficient in providing the full range of services, including enrollment assistance in appropriate benefit plans and continued enrollment assistance in prescription drug coverage as described in section 4.7.3 of the ServiceLink Contract.
 - 2.5. Complying with procedures for reporting requirements defined by DHHS.
 - 2.6. Provide service to individuals located in the cities and towns in the geographic area of Hillsborough (excluding the towns of Western Hillsborough defined as: Antrim, Bennington, Frankestown, Greenfield, Greenville, Hancock, Mason, New Ipswich, Peterborough, Sharon, Temple, and Windsor).
 - 2.7. Performance Measures :
 The Contractor will be required to meet or exceed the performance measures described below:

Performance Measure	How it will be measured
Performance Measure 1: Increasing the number of individuals enrolled in: LIS, MSP, and Medicare Part D: Hillsborough County: 159	Work plan and MIPPA monthly Outreach Activities and Enrollment reports sent to DHHS by 10th of each month.
Performance Measure 2: Implementation of Medicare Preventive Services Promotion activities.	Work plan and MIPPA monthly Outreach Activities and Enrollment and SHIP reports, (client contacts/public and media activities).
Performance Measure 3: Effectively advertise, promote, and conduct an educational outreach and/or enrollment event activity at least 1-2 times per month.	Work plan and MIPPA monthly report and SHIP reports to DHHS.
Performance Measure 4: Demonstrate partnership and incentive programs and evaluate effectiveness and lessons learned	Work plan, MIPPA monthly, SHIP reports, and Partnership listing included in CMS SHIP Mid-Term and annual Performance Grant application to DHHS



Exhibit B Amendment #1

Method and Conditions Precedent to Payment

- The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions of this Agreement for the services provided by the Contractor pursuant to Exhibit A and Exhibit A-1 Scope of Services.
- Services are funded with funds from the New Hampshire General Funds and with federal funds made available under:

Grant #	CFDA #	Federal Agency	Grant Description
	93.778		Medicaid Grants
G-1301NHSOSR	93.667	Admin for Children & Families	Social Services Block Grant
14AANHT3FC	93.052	Admin for Community Living	NH Family Caregiver Support Title III E
90RO0028	93.517	Admin for Community Living	NH ADRC Options Counseling Enhancement Program
1NOCMS020220	93.779	Centers for Medicare & Medicaid Services	State Health Ins Assistance Program
90MP0176	93.048	Admin for Community Living	Senior Medicare Patrol Project
13AANHMAAA, 13AANHMANDR, IXOCMS331283	93.071	Admin for Community Living & Centers for Medicare & Medicaid Services	CMS LIS/MSP Outreach to Low Income Medicare Beneficiaries (MIPPA)

3. Account Numbers in P-37 Box 1.6

Grant	State Account Number
NH State General Funds	05-95-48-481010-95650000-102-500731
Social Services Block Grant	05-95-48-481010-92550000-545-500387
Medicaid	05-95-48-481510-61800000-550-500398
NH ADRC Options Counseling Enhancement Program	05-95-48-481010-78720000-072-500575
NH Family Caregiver Support Title III E	05-95-48-481010-78720000-570-500928
Senior Medicare Patrol Project	05-95-48-481010-33170000-102-500731
State Health Insurance Assistance Program	05-95-48-481010-89250000-102-500731
CMS LIS/MSP Outreach to Low Income Medicare Beneficiaries (MIPPA)	05-95-48-481010-88880000-102-500731

- Payment for said services shall be made as follows:
 The Contractor will submit an invoice by the tenth working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The Department will supply the invoice template to the contractor; format of the invoice template will be similar to that of the contractor's approved budget (s). The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice for Contractor services provided pursuant to this Agreement.
 The invoice must be submitted to:
 Financial Manager
 Bureau of Elderly and Adult Services
 Department of Health and Human Services
 129 Pleasant Street, Brown Building
 Concord, NH 03301
- Payment for contracted services will be made on a line item actual cost reimbursement for allowable expenses based on budgets identified as Exhibit B-1 – B13. Each budget is specific to a time period

Contractor Initials: *ET*
 Date: *5/6/14*



Exhibit B Amendment #1

as identified in the budget period at the top of the respective budget form. Allowable costs and expenses shall be determined by DHHS in accordance with applicable state and federal laws and regulations.

6. The Contractor shall submit to the Department the subcontractor's budget for review and approval. The Contractor shall submit to the Department copies of their invoices and the subcontractor's invoices for actual expenses that support the requests for reimbursement.
7. The Information, Referral, and Awareness Program Budgets Exhibit B-1 and B-6 Contract Share is funded by various sources as a percentage of the total as follows:
 - 7.1. NH State General Funds SFY14: 47% SFY15: 49%
 - 7.2. Social Services Block Grant SFY14: 15% SFY15: 14%
 - 7.3. Medicaid SFY14: 38% SFY15: 37%
8. The Options Counseling and Person Centered Transition Support Programs Budgets Exhibit B-2 and B-7 Contract Share is funded by various sources as a percentage of the total as follows:
 - 8.1. Medicaid SFY14: 64% SFY15: 88%
 - 8.2. ADRC Grant SFY14: 36% SFY15: 12%
9. Contractor will have forty-five (45) days from the end of the contract period to submit to the Department final invoices for payment. Any adjustments made to a prior invoice will need to be accompanied by supporting documentation.
10. Notwithstanding paragraph 18 of the General Provisions of this Agreement P-37, an amendment limited to Exhibit B-1 through B-13 Budgets, to adjust amounts within the budgets and within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.
11. Community Support Requirement: When the Contractor elects to provide additional funding toward the cost of the programs, then the Contractor is obligated to fund the difference between the total costs of the programs less the state's share. Contractors shall report on a monthly basis the total cost of the program for the month, the amount requested to be paid by the state and the source of funds and amount for the contractor's share.
12. The Contractor shall complete Time Sheets for staff as instructed and on forms provided by DHHS.
13. Financial Reporting Requirements: The Contractor shall submit Monthly Financial Reports to DHHS upon request.
14. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Monthly Reports, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.
15. The Medicare Improvements for Patients and Providers Act (MIPPA): The funding is from the effective date of Amendment #1 to September 29, 2014.
16. Veterans Directed Home and Community Based Program: The funding is from July 1, 2014 to June 30, 2015 for the purposes of developing and implementing the program as defined in Section 1.1 and 1.3 of Exhibit A-1. Once the program is operational, the contractor shall continue providing the scope of work as defined in Section 1.2 of Exhibit A-1, without funding from the Department.

**Exhibit B-11
Amendment #1**

BUDGET FORM

**New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD**

Bidder Name: Easter Seals New Hampshire, Inc.

Budget Request for: Veterans Directed Home and Community Based Services
(Name of RFP)

Budget Period: 7/1/14 through June 30, 2015

		Indirect	Total
1. Total Salary/Wages	\$ 10,296.50	\$ 1,029.65	\$ 11,326.15
2. Employee Benefits	\$ 2,924.20	\$ 292.42	\$ 3,216.62
3. Consultants	\$ -	\$ -	\$ -
4. Equipment:	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ 1,336.77	\$ 133.68	\$ 1,470.45
5. Supplies:	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -
Office	\$ 50.00	\$ 5.00	\$ 55.00
6. Travel	\$ 1,060.80	\$ 106.08	\$ 1,166.88
7. Occupancy	\$ -	\$ -	\$ -
8. Current Expenses	\$ -	\$ -	\$ -
Telephone	\$ 413.06	\$ 41.30	\$ 454.36
Postage	\$ 187.50	\$ 18.75	\$ 206.25
Subscriptions	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -
9. Software	\$ -	\$ -	\$ -
10. Marketing/Communications	\$ 1,000.00	\$ 100.00	\$ 1,100.00
11. Staff Education and Training	\$ 337.50	\$ 33.75	\$ 371.25
12. Subcontracts/Agreements	\$ -	\$ -	\$ -
13. Other (specific details mandatory):	\$ -	\$ -	\$ -
Printing	\$ 575.49	\$ 57.55	\$ 633.04
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
TOTAL	\$ 18,181.82	\$ 1,818.18	\$ 20,000.00

Indirect As A Percent of Direct

10.0%

**Exhibit B-12
Amendment #1**

BUDGET FORM

**New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD**

Applicant Name: Easter Seals New Hampshire, Inc.

Medicare Improvements for Patients and Providers Act
Budget Request for: (MIPPA) Services
(Name of RFA)

Budget Period: Effective date of contract through June 30, 2014

	Direct Incremental	Indirect Fixed	Total
1. Total Salary/Wages	\$ 1,585.83	\$ 158.58	\$ 1,744.41
2. Employee Benefits	\$ 450.38	\$ 45.04	\$ 495.42
3. Consultants	\$ -	\$ -	\$ -
4. Equipment:	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ -	\$ -	\$ -
5. Supplies:	\$ -	\$ -	\$ -
Educational	\$ 2,000.00	\$ 200.00	\$ 2,200.00
Lab	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -
Office	\$ 1,035.00	\$ 103.50	\$ 1,138.50
6. Travel	\$ 104.00	\$ 10.40	\$ 114.40
7. Occupancy	\$ -	\$ -	\$ -
8. Current Expenses	\$ -	\$ -	\$ -
Telephone	\$ -	\$ -	\$ -
Postage	\$ 147.52	\$ 14.75	\$ 162.27
Subscriptions	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -
9. Software	\$ -	\$ -	\$ -
10. Marketing/Communications	\$ 5,250.00	\$ 525.00	\$ 5,775.00
11. Staff Education and Training	\$ -	\$ -	\$ -
12. Subcontracts/Agreements	\$ -	\$ -	\$ -
13. Other (specific details mandatory):	\$ -	\$ -	\$ -
Outreach meetings	\$ 1,200.00	\$ 120.00	\$ 1,320.00
Printing	\$ 500.00	\$ 50.00	\$ 550.00
	\$ -	\$ -	\$ -
TOTAL	\$ 12,272.73	\$ 1,227.27	\$ 13,500.00

Indirect As A Percent of Direct

10.0%

**Exhibit B-13
Amendment #1**

BUDGET FORM

**New Hampshire Department of Health and Human Services
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD**

Bidder Name: Easter Seals New Hampshire, Inc.

Medicare Improvements for Patients and Providers Act
Budget Request for: (MIPPA) Services
(Name of RFA)

Budget Period: 7/1/14 through September 29, 2014

	Direct	Indirect	Total
1. Total Salary/Wages	\$ 4,833.00	\$ 483.30	\$ 5,316.30
2. Employee Benefits	\$ 1,372.57	\$ 137.26	\$ 1,509.83
3. Consultants	\$ -	\$ -	\$ -
4. Equipment	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ -	\$ -	\$ -
5. Supplies:	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -
Office	\$ -	\$ -	\$ -
6. Travel	\$ 70.25	\$ 7.02	\$ 77.27
7. Occupancy	\$ -	\$ -	\$ -
8. Current Expenses	\$ -	\$ -	\$ -
Telephone	\$ -	\$ -	\$ -
Postage	\$ 450.00	\$ 45.00	\$ 495.00
Subscriptions	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -
9. Software	\$ -	\$ -	\$ -
10. Marketing/Communications	\$ 1,006.00	\$ 100.60	\$ 1,106.60
11. Staff Education and Training	\$ -	\$ -	\$ -
12. Subcontracts/Agreements	\$ -	\$ -	\$ -
13. Other (specific details mandatory):	\$ -	\$ -	\$ -
Outreach meetings	\$ 450.00	\$ 45.00	\$ 495.00
Printing	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
TOTAL	\$ 8,181.82	\$ 818.18	\$ 9,000.00

Indirect As A Percent of Direct

10.0%

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5/16/14