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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH

Jeffrey A. Meyers
Commissioner

Katja S. Fox
Director

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9544 1-800-852-3345 Ext. 9544
Fax: 603-271-4332 TDD Access: 1-800-735-2964
www.dhhs.nh.gov

May 23, 2017

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, New Hampshire Hospital, to exercise a renewal option to extend an existing agreement with the University of Vermont Technical Services Partnership (Vendor #160344), 280 East Avenue, Suite 2, Burlington, VT 05401-3437, to provide inspections, testing, maintenance and repairs to clinical equipment located at New Hampshire Hospital by increasing the price limitation by \$16,725 from \$16,725 to an amount not to exceed \$33,450 and by extending the completion date to June 30, 2019 effective upon Governor and Executive Council approval. The original contract was approved by the Attorney General's Office on March 23, 2015. 29% Federal Funds, 66% General Funds and 5% Other Funds.

Funds are anticipated to be available in the following account in State Fiscal Year 2018 and State Fiscal Year 2019 upon the availability and continued appropriation of funds in the future operating budgets with the ability to adjust encumbrances between State Fiscal Years, through the Budget office if needed and justified.

05-095-940010-84100000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: NEW HAMPSHIRE HOSPITAL, NEW HAMPSHIRE HOSPITAL, NHH - FACILITY/PATIENT SUPPORT

State Fiscal Year	Class/ Account	Title	Activity Code	Current Budget Amount	Increase/ (Decrease) Amount	Modified Budget Amount
2015	024-500225	Contract Repairs, Equipment	94050130	\$3,345	\$0	\$3,345
2016	024-500225	Contract Repairs, Equipment	94050130	\$6,690	\$0	\$6,690
2017	024-500225	Contract Repairs, Equipment	94050130	\$6,690	\$0	\$6,690
2018	024-500225	Contract Repairs, Equipment	94050130	\$0	\$8,363	\$8,363
2019	024-500225	Contract Repairs, Equipment	94050130	\$0	\$8,362	\$8,362
			Totals:	\$16,725	\$16,725	\$33,450

EXPLANATION

The purpose of this amendment is for the University of Vermont Technical Services Partnership to continue providing inspections, testing, maintenance and repairs to the clinical equipment located at New Hampshire Hospital to ensure efficient operations and safety compliance of more than one hundred and twenty-five (125) pieces of clinical equipment in accordance with the Joint Commission Standards.

The clinical equipment at New Hampshire Hospital requires specially trained and licensed technicians. The hospital staff lacks the necessary expertise and licenses to perform the required inspections, maintenance and repairs.

The Contractor will perform semi-annual inspections of the clinical equipment; incoming inspections on new clinical equipment prior to being placed into service; equipment testing including electrical safety inspections and performance tests to verify operation is within specifications and is in compliance with applicable codes and standards; electrical safety inspections on electrically powered clinical equipment to reduce the possibility of micro shock; performance testing and preventative maintenance on all of clinical equipment on a semi-annual basis unless otherwise agreed upon by the Health Safety Officer; performance tests in accordance with accepted engineering practices and the current code requirements of the National Fire Protection Association (Code 99 for Healthcare Facilities) and The Joint Commission accreditation manuals; preventative maintenance at the time of the performance test including routine battery replacement and minor repairs and adjustments as well as major repairs.

The original contract was competitively bid and contains language which allows the Department the right to renew the agreement for up to two (2) additional years, subject to the continued availability of funds, satisfactory performance and approval by the Governor and Executive Council.

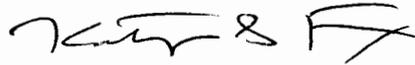
Should the Governor and Executive Council not approve this request, clinical equipment at New Hampshire Hospital may not be maintained to ensure safe operation, placing New Hampshire Hospital at risk of losing accreditation with The Joint Commission, and at increased risk of patient and/or staff injury and litigation.

Area Served: New Hampshire Hospital, Concord, NH

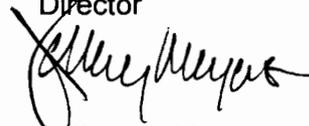
Source of Funds: 29% Federal Funds (Social Security Act, Section 1923, Payment for Inpatient Hospital Services Furnished by Disproportionate Share Hospitals), 5% Other Funds (user fees) and 66% General Funds.

In the event that the federal funds and other funds become no longer available, no further general funds will be requested to support this contract.

Respectfully submitted,



Katja S. Fox
Director



Approved by: Jeffrey A. Meyers
Commissioner



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the Clinical Equipment Testing Maintenance and Repair Contract**

This 1st Amendment to the Clinical Equipment Testing Maintenance and Repair contract (hereinafter referred to as "Amendment #1") dated this, 12th day of November 2016 is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and University of Vermont (hereinafter referred to as "the Contractor"), a non-profit corporation with a place of business at 280 East Avenue, Suite 2, Burlington, VT 05401-3437.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Attorney General on March 23, 2015, 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 of the Agreement, and Exhibit C-1 Paragraph 3, the State may renew the contract for two (2) additional years by written agreement of the parties and approval of the Governor and Executive Council; and;

WHEREAS, the parties agree to extend the Contract for two (2) years 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, Item 1.7, Completion Date, to read:
June 30, 2019
2. Form P-37, General Provisions, Item 1.8, Price Limitation, to read:
\$33,450



New Hampshire Department of Health and Human Services
Clinical Equipment Testing Maintenance and Repair

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

5/25/17
Date

[Signature]
NAME Katya S Fox
TITLE Director

University of Vermont

5/18/17
Date

[Signature]
NAME Richard H. Cate
TITLE VP for finance

Acknowledgement:

State of Vermont, County of Chittenden on 5/17/17, 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

[Signature]
Name and Title of Notary or Justice of the Peace

*This notary signature is only for the signature of Richard Cate, VP for Finance *
BBM

**New Hampshire Department of Health and Human Services
Clinical Equipment Testing Maintenance and Repair**



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

OFFICE OF THE ATTORNEY GENERAL

6/2/17
Date

J. P. [Signature]
Name:
Title:

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:

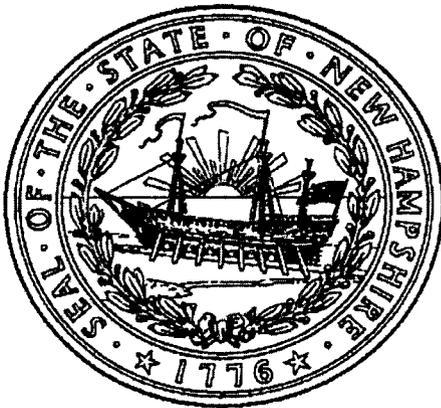
State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE is a Vermont Nonprofit Corporation registered to transact business in New Hampshire on May 23, 2006. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 560479



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 3rd day of April A.D. 2017.

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Francine T. Bazluke, do hereby certify that:
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of University of Vermont and State Agricultural College
(Agency Name) _____

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of
the Agency duly held on 12/16/1991 ;
(Date)

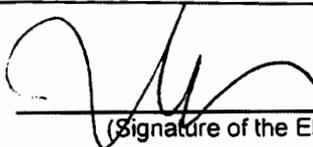
RESOLVED: That the Vice President for Finance & Treasurer
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of
the 24th day of May, 2017.
(Date Contract Signed)

4. Richard H. Cate _____ is the duly elected Vice President for Finance and Treasurer
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.



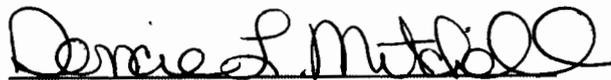
(Signature of the Elected Officer)

STATE OF Vermont

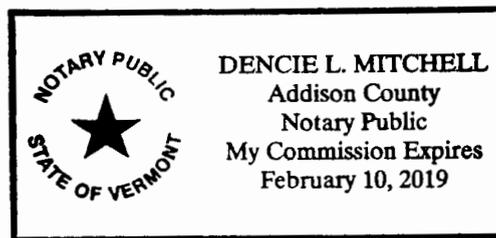
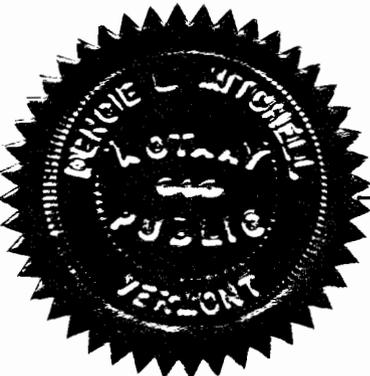
County of Chittenden

The forgoing instrument was acknowledged before me this 24th day of May, 2017 ,

By Francine T. Bazluke .
(Name of Elected Officer of the Agency)



(Notary Public/Justice of the Peace)



July 1, 2005



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/25/2017

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 Marsh USA Inc. 1717 Arch Street Philadelphia, PA 19103-2797 J09254-verm-caspf-16-17	CONTACT NAME: PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____														
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Pinnacle Consortium of Higher Ed VT RRRG</td> <td>11980</td> </tr> <tr> <td>INSURER B : Zurich American Insurance Company</td> <td>16535</td> </tr> <tr> <td>INSURER C : Genesis Insurance Company</td> <td>38962</td> </tr> <tr> <td>INSURER D : Safety National Casualty Corporation</td> <td>15105</td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Pinnacle Consortium of Higher Ed VT RRRG	11980	INSURER B : Zurich American Insurance Company	16535	INSURER C : Genesis Insurance Company	38962	INSURER D : Safety National Casualty Corporation	15105	INSURER E :		INSURER F :
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INSURER E :															
INSURER F :															
INSURED UNIVERSITY OF VERMONT & STATE AGRICULTURAL COLLEGE 284 EAST AVENUE BURLINGTON, VT 05405-1705															

COVERAGES	CERTIFICATE NUMBER: CLE-005336801-01	REVISION NUMBER: 2
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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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: _____			PCHE2016-15	07/01/2016	07/01/2017	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 2,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			BAP 9267288-06 SELF INSURED FOR PHYSICAL DAMAGE	07/01/2016	07/01/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED \$ _____ RETENTION \$ _____			YUB 3010961	07/01/2016	07/01/2017	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) if yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	SP 4055192 (VT) SIR: \$650,000 SEE ATTACHED PAGE	07/01/2016	07/01/2017	<input checked="" type="checkbox"/> PER STATUTE <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 (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Re: For UVM's Technical Services Program repair and maintenance of clinical equipment for the New Hampshire Department of Health and Human Services.

CERTIFICATE HOLDER New Hampshire Department of Health and Human Services 36 Clinton St Concord, NH 03301	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 of Marsh USA Inc. Manashi Mukherjee <i>Manashi Mukherjee</i>
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ADDITIONAL REMARKS SCHEDULE

AGENCY Marsh USA Inc.		NAMED INSURED UNIVERSITY OF VERMONT & STATE AGRICULTURAL COLLEGE 284 EAST AVENUE BURLINGTON, VT 05405-1705	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

COVERAGE: WC - STATUTORY BENEFITS (AOS)
 UNDERWRITER COMPANY NAME: SAFETY NATIONAL CASUALTY CORPORATION
 POLICY NUMBER: PRP4054851
 POLICY PERIOD: 07/01/2016 - 07/01/2017
 EMPLOYERS LIABILITY LIMITS:
 BODILY INJURY BY ACCIDENT - \$500,000 EACH ACCIDENT
 BODILY INJURY BY DISEASE - \$500,000 POLICY LIMIT
 BODILY INJURY BY DISEASE - \$500,000 EACH EMPLOYEE



The University of Vermont **Office of the President**

Vision, Mission, and Goals

The Vision of the University of Vermont:

To be among the nation's premier small research universities, preeminent in our comprehensive commitment to liberal education, environment, health, and public service.

The Mission of the University of Vermont:

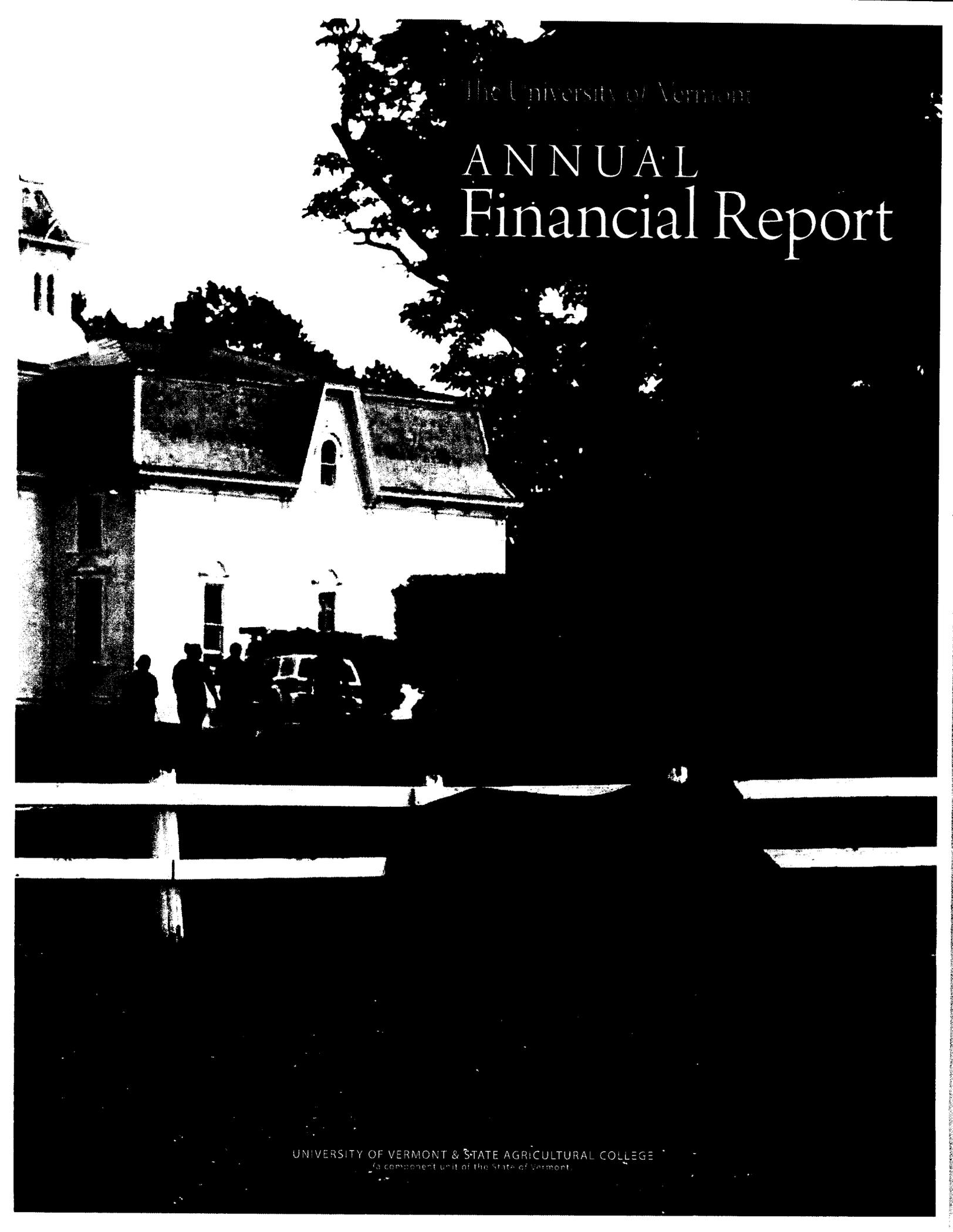
To create, evaluate, share, and apply knowledge and to prepare students to be accountable leaders who will bring to their work dedication to the global community, a grasp of complexity, effective problem-solving and communication skills, and an enduring commitment to learning and ethical conduct.

The Goals of the University of Vermont:

Therefore, to realize our vision to be among the nation's premier small research universities, we must take these actions.

- "Access to Success": Promoting Affordability, Financial Access, and Academic Support
- Promoting a culture of advancing academic excellence and cultivating talent
- Identifying necessary investments to ensure a bright future
- Instilling an institutional commitment to efficiency and effectiveness that optimizes the use of facilities, technology, assets, and shared services

Last modified February 26 2014 10:40 AM



The University of Vermont

ANNUAL Financial Report



Board of Trustees

David A. Daigle, Chair, Greenwich, CT (March 2022)
 Ron E. Lumbra, Vice Chair, Rye, NY (March 2020)
 Joan G. Lenex, Secretary, Shelburne, VT (March 2017)

Briar L. Alpert, Charlotte, VT (March 2022)	Curt McCormack, Burlington, VT (March 2021)
David B. Aronoff, Newton, MA (March 2022)	Donald H. McCree, Rye, NY (March 2020)
Cynthia L. Barnhart, Wellesley Hills, MA (March 2020)	Anne T. O'Brien, Richmond, VT (March 2019)
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Carolyn K. Dwyer, Essex Junction, VT (March 2019)	Tristan D. Toleno, Brattleboro, VT (March 2021)
Richard L. Gamelli, New London, NH (March 2018)	Lisa M. Ventriss, South Burlington, VT (March 2018)
Bernard C. Juskiewicz, Cambridge, VT (March 2021)	Jeff Wilson, Manchester Center, VT (March 2019)

E. Thomas Sullivan, President, ex officio
 Peter E. Shumlin, Governor, ex officio

Administration

E. Thomas Sullivan	President
David V. Rosowsky	Provost and Senior Vice President
Francine T. Bazlue	Vice President for Legal Affairs and General Counsel
Richard H. Cate	Vice President for Finance and University Treasurer
Thomas J. Gustafson	Vice President for University Relations and Administration
Stacey Kostell	Vice President for Enrollment Management
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Annie Stevens	Vice Provost for Student Affairs
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Sanjay Sharma	Dean, Grossman School of Business
Frederick C. Morin, III	Dean, Robert Larner, M.D. College of Medicine
Luis A. Garcia	Dean, College of Engineering and Mathematical Sciences
Thomas K. Vogelmann	Dean, College of Agriculture and Life Sciences
William Falls	Dean, College of Arts and Sciences
David A. Nestor	Dean of Students
Patricia A. Prelock	Dean, College of Nursing and Health Sciences
Mara R. Saule	Chief Information Officer and Dean, University Libraries and Learning Resources
Scott Thomas	Dean, College of Education and Social Services
Douglas O. Lantagne	Dean, Extension
Lisa Schnell	Interim Dean, Honors College
Cynthia L. Belliveau	Dean, Continuing and Distance Education

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19..... Notes to Financial Statements

38..... Required Supplementary Information - Postemployment Benefits





Letter from the President

Members of the Board of Trustees,

I attach the Annual Financial Report for the Fiscal Year ended June 30, 2016. The state of the UVM's finances is sound.

These financial statements reflect a decrease of \$9.2 million in the University's net position. A key contributor to the change in net position was the volatile condition of the financial markets. In both 2015 and 2016 the growth of the endowment was not enough to offset the increase in depreciation and the post-retirement medical benefit liability. It is important to note that, since the inception of the Foundation, new endowment gifts have been reflected in the financial records of the Foundation rather than the University. This somewhat limits the growth of the University's endowment, but all of the gifts to the Foundation flow to the benefit of UVM students and the University. As of June 30, 2016, the market value of the entire combined endowment (UVM and Foundation) was \$468.7 million. Our comprehensive campaign will ensure that the combined endowment will grow substantially over the next decade. This will provide even more funding for the support of scholarships, faculty, academic programs, and facilities.

As the University advances I will continue to work with the UVM and Vermont communities to focus on affordability and financial access, quality enhancement, strategic alignment of priorities, and resource and revenue growth. This will ensure an even more financially healthy University, which will enable us to increase the total student experience at UVM.

With every best wish,

A handwritten signature in black ink that reads "Tom Sullivan". The signature is written in a cursive, slightly slanted style.

E. Thomas Sullivan

The University of Vermont

Management's Responsibility for the Financial Report

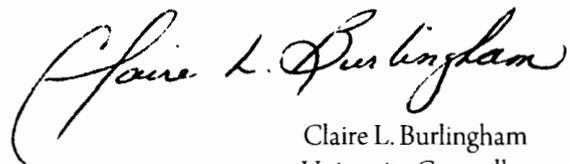
The accompanying financial statements of the University of Vermont and State Agricultural College for the year ended June 30, 2016 are official documents prepared in accordance with U.S. generally accepted accounting principles set forth for public colleges and universities by the Governmental Accounting Standards Board. The management of the University is responsible for the integrity and objectivity of these financial statements, which are accessible to all. The University's system of internal accounting controls is designed to ensure that the financial reports and the books of account properly reflect the transactions of the institution, in accordance with established policies and procedures as implemented by qualified personnel.

The University Trustees selected the certified public accounting firm of Grant Thornton, LLP to conduct the annual financial audit for fiscal year 2016.

Periodically throughout the year, the Trustee Audit Committee meets with the Audit Services Office and the Compliance Office staff and the external independent audit firm to review the audit plan and later the report. The Vermont State Auditor is invited to attend those meetings to offer comments and opinions. Both Grant Thornton and the Audit Services Office and Compliance Office staff have full access to the University Trustees and the State Auditor throughout the year.



Richard H. Cate
Vice President for Finance
And University Treasurer



Claire L. Burlingham
University Controller



Grant Thornton LLP
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Boston, MA 02109
T 617.723.7900
F 617.723.3640
www.grantthornton.com
LinkedIn/GrantThorntonUS
twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Douglas Hoffer,
Auditor of the Accounts
State of Vermont

and

The Board of Trustees of the
University of Vermont and State Agricultural College

Report on the financial statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the University of Vermont and State Agricultural College (the "University") as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the University Medical Education Associates, Inc. or the University of Vermont and State Agriculture College Foundation, Inc., discretely presented component units, whose statements reflect total assets constituting \$170.6 million and \$116 million, respectively, as of June 30, 2016 and 2015, and total operating revenues of \$2 million and \$1.1 million, respectively, for the years then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts presented for the discretely presented component units, is based solely on the reports of those component auditors. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments,

Independent Auditor's Report

continued

the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University as of June 30, 2016 and 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a matter

As discussed in Note A (2) to the financial statements, the University adopted new accounting guidance related to fair value measurements which impacted both accounting and disclosures of certain assets and liabilities measured at fair value in fiscal 2016. Our opinion is not modified with respect to this matter.

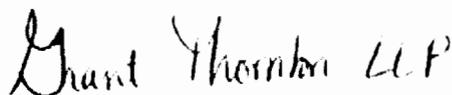
Other matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") and the Schedules of Employer Contribution, Funding Progress and Net OPEB Obligations be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. However, we do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated October 17, 2016, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.



Boston, Massachusetts

October 17, 2016

The University of Vermont

Management's Discussion and Analysis (Unaudited)

June 30, 2016 and 2015

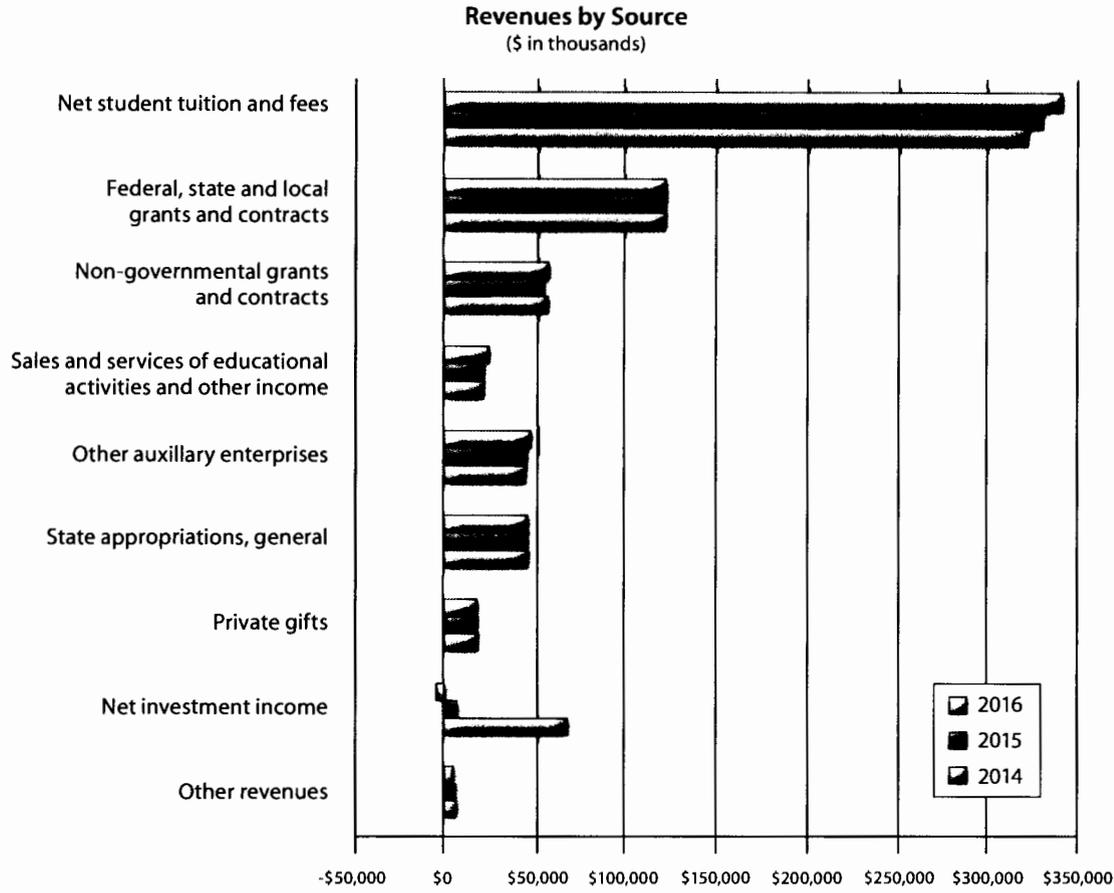
Introduction

The Management's Discussion and Analysis (MD&A) provides a broad overview of the University of Vermont's financial condition as of June 30, 2016 and 2015, the results of its operations for the years then ended, significant changes from the previous years, and outlook for the future where appropriate and relevant. Management has prepared the financial statements and related footnote disclosures along with this MD&A. The MD&A should be read in conjunction with the audited financial statements and related notes. In planning and performing the audit of the financial statements, the independent certified public accountants consider the University of Vermont's internal controls over financial reporting to determine appropriate audit procedures in order to express an opinion. In addition, the independent certified public accountants perform tests of the University's compliance with certain provisions of laws, regulations, contracts, and grant agreements that may have a material effect on the financial statements. A report is issued to describe the scope of testing on internal controls and compliance. This independent certified public accountant's report can be found on the University's website.

The University of Vermont ("the University") is a public, non-profit, comprehensive research institution of higher education established in 1791 as the fifth college in New England. The University consists of seven undergraduate schools and colleges, including the Colleges of Agriculture and Life Sciences, Arts and Sciences, Education and Social Services, Engineering and Mathematical Sciences, Nursing

and Health Sciences, the Grossman School of Business, and the Rubenstein School of Environment and Natural Resources. The University also includes an Honors College, the Robert Larner M.D. College of Medicine, the Division of Continuing and Distance Education, Extension and the Graduate College. The University of Vermont is the only comprehensive research university in Vermont. The University has 10,267 undergraduate students and 1,946 graduate and medical students. It is located in Burlington, Vermont with satellite instructional and research sites throughout Vermont. It is a component unit of the State of Vermont as it receives an annual appropriation from the State. For financial reporting purposes, the University's reporting entity consists of all sectors of the University and also includes discretely presented financial information for University Medical Education Associates, Inc. (UMEA) and the University of Vermont and State Agricultural College Foundation, Inc. (UVMF). UMEA is a legally separate tax-exempt component unit of the University whose purpose is to support the operations, activities and objectives of the Robert Larner M.D. College of Medicine of the University of Vermont. UVMF is a legally separate tax-exempt component unit of the University whose purpose is to secure and manage private gifts for the sole benefit of the University. The MD&A discusses the University's financial statements only and not those of its component units.

The focus of the MD&A is on the University's financial information contained in the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows.



Financial Highlights and Economic Outlook

The President’s strategic action plan titled “Enhancing Quality and Affordability” outlines four major initiatives which are the cornerstone for all University decisions; 1) Access to success: promoting affordability, financial access and academic support, 2) Promoting a culture of advancing academic excellence and cultivating talent, 3) Identifying necessary investments to ensure a bright future, 4) Instilling an institutional commitment to efficiency and effectiveness that optimizes the use of facilities, technology, assets, and shared services. Much has been done to implement this vision and the University anticipates continued discussion and implementation of this strategic action plan during fiscal year 2017.

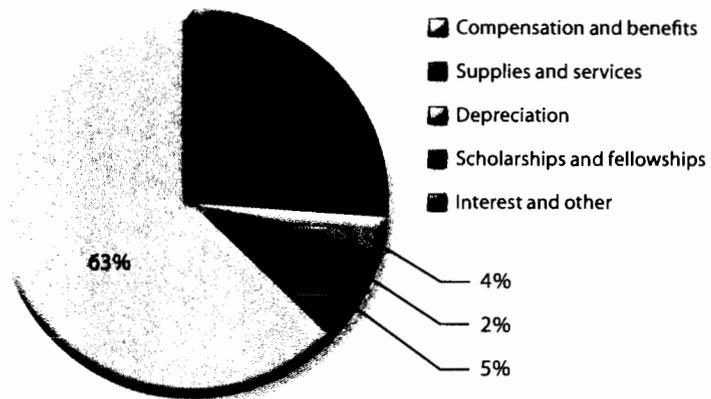
The University’s net position decreased by \$9.2 million in fiscal 2016, compared to a decrease of \$12.3 million in fiscal 2015. A key contributor to the change in net position was the performance in the financial markets; the net loss in the investment portfolio in fiscal 2016 was \$6.9 million as compared to a net gain of \$4.7 million in fiscal 2015. The fiscal 2015 gain was a significant drop from fiscal 2014, however, by \$55.9 million or 92.3%.

Total operating revenues increased in fiscal 2016 by \$24.9 million, or 4.4%. This included an increase in net student tuition and fees of \$20.8 million, or 5.7%, coupled with an increase in federal, state, and private grants and contracts of \$3.0 million, or 1.8%. Other critical revenues include state appropriations and state capital appropriations which remained constant at \$43.0 million and \$1.4 million, respectively.

The University experienced an increase in operating costs of \$22.5 million, or 3.7%, in fiscal 2016. Compensation and benefits represents the most significant operating cost, comprising 66.2% and 65.2% of operating costs in 2016 and 2015, respectively. Compensation and benefit expenses increased by \$21.4 million. Supplies and service expenses also increased by \$1.7 million. Compensation and benefit expenses primarily increased due to salary and wage increases in 2016 of 2.75% for faculty and between 1.60-2.50% for staff. Other significant non-operating expenses include interest on indebtedness which was \$17.2 million in 2016 compared to \$20.5 million in 2015 and transfers to other governmental entities and the UVM Foundation which, combined, were \$22.5 million in 2016 and \$22.7 million in 2015.

The chart to the right displays operating, interest, and other expenses for fiscal 2016:

Fiscal 2016 Expenses



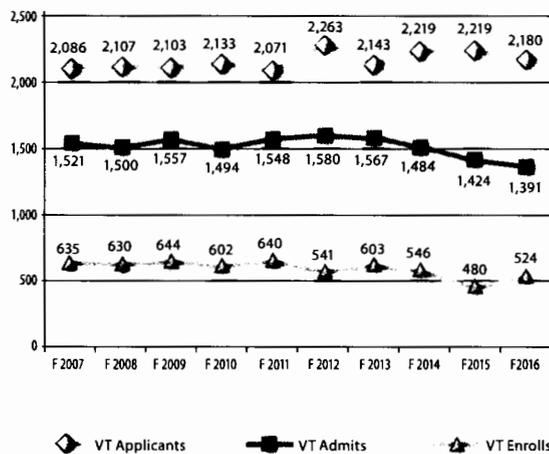
During fiscal year 2016, construction began on the First Year Student Housing and Dining Hall to replace Chittenden, Buckham, and Wills Halls. On-going construction projects included renovations to the Simpson Dining Hall and the Mason, Simpson, and Hamilton Residential Halls, expansion to the Central Heating Plant, and renovations to the Alumni House. Construction on the Sciences, Technology, Engineering and Mathematics (STEM) complex continued, which will provide innovative research and classroom spaces for those disciplines.

In the fall of fiscal 2017, the University enrolled 10,267 students in more than 100 undergraduate majors, 1,485 students in graduate and post-baccalaureate programs, and 461 students at the College of Medicine. The University attracts undergraduates from 40 states and many foreign countries. The University has grown its international student population by 11% over the last year. The University is primarily a regional institution

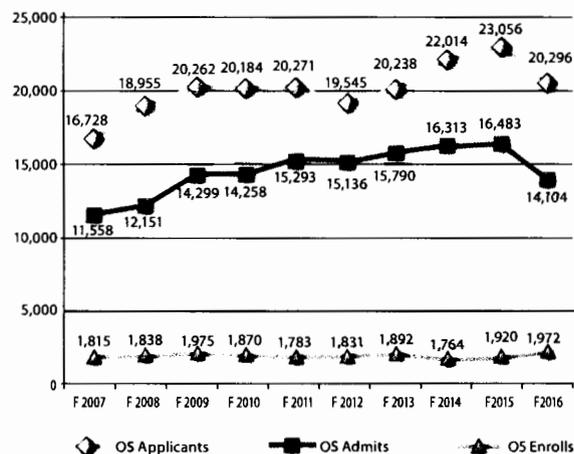
however, drawing 87% of the undergraduates enrolled in the fall of 2016 from New England and the Middle Atlantic States, including 21% of its undergraduate students from Vermont. Graduate and Certificate student enrollment from Vermont represented 50%.

The following tables present applications, admissions, and enrollments for in-state and out-of-state students. Final numbers for the fall of fiscal year 2017 show that total applications have increased 19% since 2007, with in-state applications increasing 5% and out-of-state applications increasing 21%. Total admissions have increased for that period by 18%, with in-state admissions decreasing 9% and out-of-state admissions increasing 22%. Since 2007, total first-time, first year enrollments have increased 2%, with in-state enrollments decreasing by 17% and out-of-state enrollments increasing by 9%.

Trends in Vermont Applications, Admits, and Enrollments Fall 2007 to Fall 2016



Trends in Out-of-State Applications, Admits, and Enrollments Fall 2007 to Fall 2016



The University and its Board of Trustees continues to contain increases in tuition and fees with the average annual increases for in-state and out-of-state held to 4.2% and 4.3%, respectively, since 2008. The table on the right presents tuition and fees, as well as room and board for that period.

The State of Vermont ("the State") general appropriations represented 6.6% of the University's total revenues for fiscal year 2016. The University received a State capital appropriation of \$1.4 million in fiscal year 2016 and fiscal year 2015.

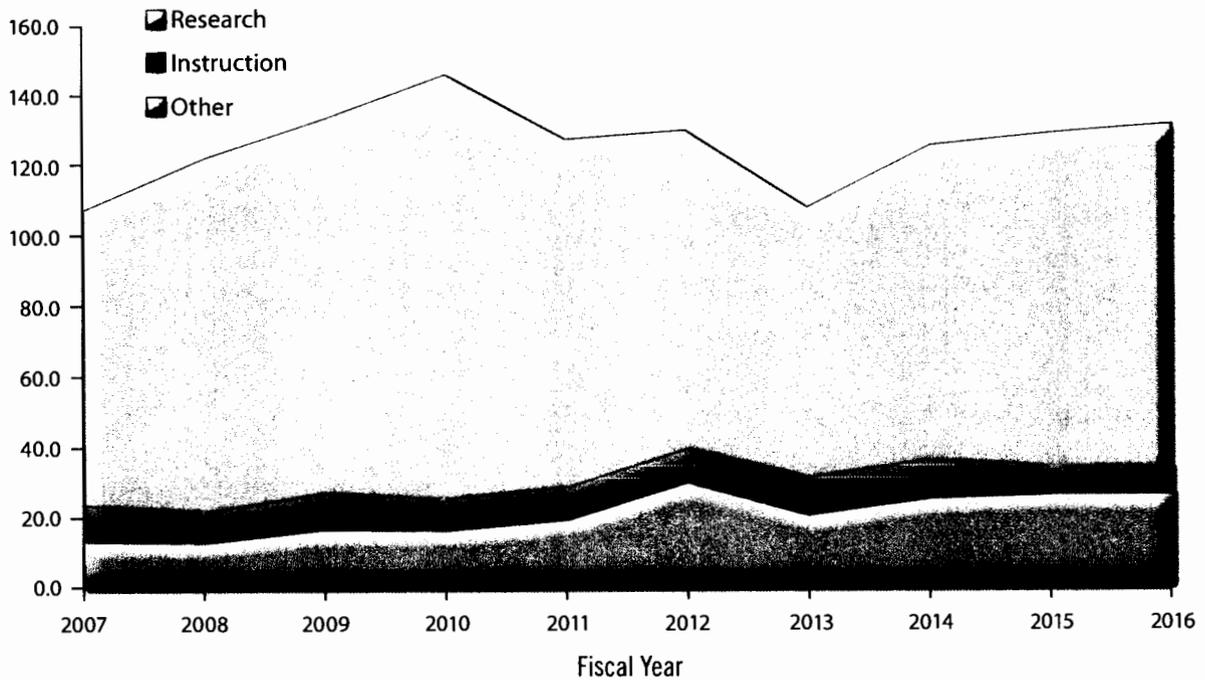
Grant and contract revenues of \$173.7 million represented 26.6% of total revenues for fiscal 2016 which included facility and administrative cost recoveries of \$25.5 million and additional commitment funds from University of Vermont Medical Center, Inc. of \$15.5 million. During fiscal 2016, the University was awarded over \$138.0 million in sponsored funds, 77.8% of which were for research activities. Approximately 54.7% of sponsored funds awarded during fiscal 2016

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Average Annual % Increase
Student Tuition & Fees									
In-State Tuition & Fees	\$12,844	\$13,554	\$14,044	\$14,784	\$15,284	\$15,718	\$16,226	\$16,768	4.22%
Out-of-State Tuition & Fees	\$29,682	\$31,410	\$32,630	\$34,424	\$35,612	\$36,646	\$37,874	\$39,160	4.32%
Room & Board									
Room (Double)	\$5,752	\$5,964	\$6,196	\$6,426	\$6,650	\$6,844	\$7,116	\$7,376	3.92%
Board (Average Meal Plan)	\$2,782	\$3,032	\$3,156	\$3,282	\$3,414	\$3,558	\$3,664	\$3,774	4.80%
Total, In-State Cost									
Increase Over Previous Year	6.47%	5.48%	3.84%	4.59%	3.50%	3.05%	3.39%	3.38%	4.21%
Total, Out-of-State Cost									
Increase Over Previous Year	6.27%	5.73%	3.90%	5.12%	3.49%	3.00%	3.41%	3.40%	4.29%

were from federal sources. The University's leading areas of externally sponsored programs are the biomedical sciences, agriculture, the environment, and education.

The following chart presents the activity of sponsored programs over the past decade:

Sponsored Program Awards by Purpose
(in millions)



ANNUAL FINANCIAL REPORT 2016

The University has an affiliation with the University of Vermont Medical Center, Inc. (formally named Fletcher Allen Health Care, Inc.), University of Vermont Medical Group, Inc., and the University of Vermont Health Network, Inc. (formerly named Fletcher Allen Partner, Inc.) through an updated Affiliation Agreement signed in June, 2014. The Agreement is for a period of five (5) years with provisions for an automatic renewal in the absence of a party's written notice. The provisions of that contract are reflected in the financial statements. The Agreement is to guide and govern the parties in the achievement of their common goals, including, but not limited to, providing high-quality clinical education for undergraduate and graduate students enrolled in UVM medical and health care related academic programs and health care professionals enrolled in continuing education programs, conducting high-quality research leading to advances in health care and in the bio-medical and life sciences to improve the quality of life of the citizens of Vermont and the broader society.

Overview of the Financial Statements

The financial statements of the University of Vermont and State Agricultural College (the "University") have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The financial statement presentation consists of comparable Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows and accompanying notes for the June 30, 2016 and 2015 fiscal years. These statements provide information on the financial position of the University and the financial activity and results of its operations during the years presented. A description of these statements is below. The financial statements focus on the University as a whole, rather than upon individual funds or activities.

	<i>(In thousands)</i>		
	2016	*Restated 2015	*Restated 2014
Assets			
Current assets	\$ 329,009	\$ 287,149	\$ 267,864
Non-current assets:			
Endowment, annuities and life income			
cash, cash equivalents and investments	408,936	421,596	422,898
Deposits with trustees	102,187	11,198	14,173
Capital assets, net	574,798	519,190	525,111
Other	34,530	24,990	27,470
Total non-current assets	<u>1,120,451</u>	<u>976,974</u>	<u>989,652</u>
Total assets	<u>1,449,460</u>	<u>1,264,123</u>	<u>1,257,516</u>
Deferred outflows of resources			
Loss on refunding of debt	3,524	3,676	3,504
Total deferred outflows of resources	<u>3,524</u>	<u>3,676</u>	<u>3,504</u>
Liabilities			
Current liabilities	139,270	108,675	102,429
Non-current liabilities	786,483	631,667	618,838
Total liabilities	<u>925,753</u>	<u>740,342</u>	<u>721,267</u>
Deferred inflows of resources			
Service Concession Arrangement	9,012	-	-
Total deferred inflows of resources	<u>9,012</u>	<u>-</u>	<u>-</u>
Net position			
Net investment in capital assets	80,234	73,660	66,977
Restricted:			
Non-expendable	111,533	109,056	101,079
Expendable	299,276	321,975	337,170
Unrestricted	27,176	22,766	34,527
Total net position	<u>\$ 518,219</u>	<u>\$ 527,457</u>	<u>\$ 539,753</u>

**Refer to footnote A2 of audited financial statements for a discussion of the restatement*

University Medical Associates, Inc. (UMEA) and University of Vermont Foundation, Inc. (UVMF) are legally separate tax-exempt component units of the University of Vermont and issue separate audited financial statements. UMEA and UVMF are presented as separate columns on the University's Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position.

Statements of Net Position

Net position, or the sum of total assets, plus deferred outflows of resources, less total liabilities, less deferred inflows of resources is considered an indicator of the current financial condition of the University. The Statements of Net Position presents all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the University as of June 30. Assets and liabilities are classified as current or non-current. Current assets are classified as such if they are available to satisfy current liabilities, which are generally defined as being due within one year of the date of the Statements of Net Position. Condensed information for net position at June 30, 2016, with comparative information for 2015* and 2014* is located on the bottom of page 10.

Net position totaled \$518.2 million, \$527.5 million, and \$539.8 million at June 30, 2016, 2015, and 2014, respectively, decreasing by \$9.3 million in 2016 and by \$12.3 million in 2015. Both 2016 and 2015 were significantly negatively impacted by the investment market and the change in the liability for other postemployment benefits as prescribed by GASB 45. Sales of Capital Assets resulting in a net gain had a positive effect on the net position in fiscal 2016.

Net position at June 30, 2014 and 2015 were adjusted to be in accordance with GASB statement 72, *Fair Value Measurements and Application*, which defines fair value 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 measurement date. GASB 72 also includes guidance on applying fair value to certain investments. Prior to fiscal 2016, the University had recorded certain investments at cost, as permitted by existing GASB guidance. Refer to footnote A2 in the audited financial statements for details of the impact of adoption of this new statement. In addition to the adoption of GASB 72, the University identified certain costs related to the federal government's Medicare Part D pharmacy program called an Employer Group Waiver program (EGWP) that were not initially included in contributions during fiscal year 2015 for the calculations of the increase in net Other Post-Employment Benefit (OPEB) obligation. To facilitate period-over-period comparisons, the University has revised its 2015 financial statements to reflect corrections in the period in which the revenues were recognized and expenses were incurred. As a result of these two items, fiscal 2014 net position was adjusted from \$523.0 million to \$539.8 million, with non-current endowment cash, cash equivalents and investments adjusted from \$406.1 million to \$422.9 million. For fiscal 2015 net position was adjusted from \$506.7 million to \$527.5 million, non-current endowment cash, cash equivalents and investments were adjusted from \$404.5 million to \$421.6 million, and \$3.7 million less of compensation and benefit expense and postemployment benefit liability were recorded.

Current assets of \$329.0 million, \$287.1 million, and \$267.9 million at June 30, 2016, 2015, and 2014, respectively, consist primarily of cash and cash equivalents, and operating investments, which totaled \$239.7 million at June 30, 2016, \$193.2 million at June 30, 2015, and \$189.2 million at June 30, 2014. Cash and cash equivalents and operating investments represents approximately 4.7, 4.0, and 4.0 months of total operating expenses,

excluding depreciation, for 2016, 2015, and 2014, respectively. The net increase to current assets in 2016 of \$41.9 million was primarily driven by a \$44.3 million increase in cash and cash equivalents offset by a \$4.6 million decrease in accounts, loans, notes and pledges receivable. The net increase to current assets in 2015 of \$19.2 million was primarily driven by a \$12.0 million increase in accounts, loans, notes and pledges receivable and a \$1.9 million increase in investments for capital activities.

Endowment cash, cash equivalents and investments totaled \$408.9 million, \$421.6 million and \$422.9 million at June 30, 2016, 2015, and 2014, respectively, representing a decrease of \$12.7 million, or 3.0% in 2016, and a decrease of \$1.3 million, or 0.3% in 2015. The University's long-term investment pool consists of permanent endowments, term endowments, and funds functioning as endowments, commonly referred to as quasi-endowments.

Permanent endowments are those funds received from donors with the stipulation that the principal be invested in perpetuity to produce income to be expended for the purposes specified by the donor. Term endowments are those funds received from donors that function as endowments for a period of time or until a specific event occurs, such as reaching a certain balance. Funds functioning as endowments consist of restricted gifts and unrestricted funds that have been designated by the University for long-term investment purposes. These funds are not subject to donor restrictions requiring the University to preserve the principal in perpetuity. Programs supported by the endowment include scholarships, fellowships, professorships, research efforts and other programs and activities related to the University's mission. Investments are reported in three categories in the Statements of Net Position. Investments reported as non-current assets include endowment, annuity, and life income funds. Investments for capital activities reported as current assets are replacement reserves designated for capital renovations. All other investments are reported as operating investments.

The University's primary long-term investment goal is to attain a real total return that exceeds the amount being distributed for spending and administration, currently set at 4.75% of the previous 13 quarters' average market value. Other important investment objectives are to achieve annualized returns in excess of the strategic policy portfolio blended benchmark, measured over a full market cycle; and to outperform the median return of a pool of endowment funds with broadly similar investment objectives and policies. The spending distributions from the total endowment were \$18.6 million, \$17.3 million, and \$16.4 million in fiscal years ended June 30, 2016, 2015, and 2014, respectively. These distributions were 4.3%, 4.0%, and 4.4% of the beginning market value of the endowment for fiscal years 2016, 2015, and 2014, respectively.

The increase to *Deposits with Trustees* of \$91.0 million in 2016 was primarily due to unused proceeds from issuance of the 2015 general obligation bond held by a third party trustee. The decrease to this asset of \$3.0 million in 2015 was primarily due to the closing of certain split interest agreements and draw-downs for construction and other capital projects.

Capital assets, net of accumulated depreciation, totaled \$574.8 million, \$519.2 million and \$525.1 million at June 30, 2016, 2015 and 2014, respectively, representing an increase of \$55.6 million, or 10.7%, in 2016 and a decrease of \$5.9 million, or 1.1%, in 2015. Gross capital additions totaled \$84.5 million in 2016 and \$20.8 million in 2015. Capital additions in 2016 included land acquisitions and land improvements of \$0.9 million, renovations to residence and dining halls, research laboratories, and other buildings of

\$9.8 million, building components and equipment and building interiors of \$0.1 million, fixed equipment of \$1.0 million, moveable equipment of \$1.9 million, and construction in progress of \$70.7 million. These additions in 2016 were offset by disposals of \$7.5 million and an increase to accumulated depreciation of \$21.4 million. Capital additions in 2015 included land acquisitions and land improvements of \$1.5 million, renovations to residence and dining halls, research laboratories, and other buildings of \$4.5 million, building components and equipment of \$0.5 million, fixed equipment of \$0.9 million, building interiors of \$1.9 million, moveable equipment of \$2.4 million, software systems of \$0.2 million, and construction in progress of \$8.9 million.

Deferred outflows of resources were \$3.5 million and \$3.7 million at June 30, 2016 and 2015, respectively. In fiscal 2016, deferred outflows represent the deferred loss on refunding of the 1998, 2002, and 2005 general obligation bonds. The loss for the 1998 and 2002 general obligation bonds are amortized at a rate of \$0.2 million each year until fiscal year 2032. The loss on the partial refunding of the 2005 general obligation bond is amortized at a rate of \$0.02 million until fiscal year 2035.

Current liabilities increased \$30.6 million in 2016 and \$6.2 million in 2015. In fiscal 2016, accounts payable and accrued liabilities increased by \$13.5 million. This increase was the result of accounts payable and accrued contract retainage costs on construction projects in progress. An additional \$6.8 million in accounts payable and \$5.4 million in accrued liabilities were recognized for such projects. In both 2016 and 2015, current liabilities increased due to the University accepting UVMF funds which were then invested in the University's pooled endowment. These funds generate income which is distributed to the UVMF. The funds held in the University's pooled endowment represent a liability to the University as they are UVMF assets and will be returned to the UVMF in the future. At June 30, 2016 the amount of UVMF assets held in the University's pooled endowment was \$39.1 million. At June 30, 2015 the amount of UVMF assets held in the University's pooled endowment was \$29.9 million.

Non-current liabilities increased \$154.8 million in 2016 compared to \$12.8 million in 2015. The increase in 2016 is the result of \$120.7 million in the non-current portion of bonds and notes payable as the result of issuance of general obligation bonds, as well as the recognition of \$32.7 million in additional liability for postemployment benefits. The increase in 2015 is the result of the recognition of \$20.7 million in additional liability for postemployment benefits offset by a decrease of \$7.7 million in the non-current portion of bonds and notes payable.

Deferred inflows of resources were recognized for Service Concession Arrangements totaling \$9.0 million at June 30, 2016. These inflows were due to a new agreement that took effect July 1, 2015, with Sodexo Management, Inc., to carry out the Food Service Program. No such deferred inflows existed at June 30, 2015.

Net investment in capital assets of \$80.2 million, \$73.7 million, and \$67.0 million, at June 30, 2016, 2015, and 2014, respectively, represent the University's capital assets of land, buildings and equipment net of accumulated depreciation and net of outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. The increase of \$6.5 million in 2016 was primarily the result of the net effect of additions and disposals to capital assets of \$76.9 million, the increase in bonds payable related to capitalized assets of \$49.0 million, and an increase of accumulated depreciation of \$21.4 million. The increase of \$6.7 million in 2015 was primarily the result of the net effect of additions and disposals to capital assets of \$20.5 million, the decrease in bonds payable related to capitalized assets of \$12.6 million, and an increase of accumulated depreciation of \$26.4 million.

Restricted non-expendable net position totaling \$111.5 million, \$109.1 million, and \$101.1 million at June 30, 2016, 2015, and 2014, respectively, consist entirely of the University's permanent endowment funds. The corpus of restricted nonexpendable resources is only available for investment purposes. The increase of \$2.4 million, or 2.3%, in 2016, and \$8.0 million, or 7.9%, in 2015, resulted from new gifts.

	<i>(In thousands)</i>		
	2016	*Restated 2015	*Restated 2014
Operating revenues	\$ 589,346	\$ 564,405	\$ 545,295
Operating expenses	(633,941)	(611,409)	(605,712)
Operating loss	(44,595)	(47,004)	(60,417)
Net non-operating revenues	32,131	32,794	85,734
Revenue (loss) before capital and endowment additions	(12,464)	(14,210)	25,317
State capital appropriations	1,400	1,400	1,400
Capital gifts and grants	180	162	21
Gifts for endowment purposes	1,646	352	683
Total capital and endowment additions	3,226	1,914	2,104
Increase (decrease) in net position	(9,238)	(12,296)	27,421
Net position, beginning of year	527,457	539,753	512,332
Net position, end of year	\$ 518,219	\$ 527,457	\$ 539,753

*Refer to footnote A2 of audited financial statements for a discussion of the restatement

Restricted expendable net position is subject to externally imposed restrictions governing their use. Restricted expendable net position totaled \$299.3 million, \$322.0 million, and \$337.2 million, as of June 30, 2016, 2015, and 2014, respectively. The decrease of \$22.7 million in 2016 and \$15.2 million in 2015 were primarily due to changes in net investment income. In 2016 there was a net investment loss of \$10.4 million compared to a gain of \$1.7 million in 2015.

Unrestricted net position is not subject to externally imposed stipulations. However, substantially all of the University's unrestricted net position has been designated for various academic and research programs and initiatives, as well as capital projects. Unrestricted net position totaled \$27.2 million, \$22.8 million, and \$34.5 million for June 30, 2016, 2015, and 2014, respectively. The increase of \$4.4 million in 2016 was primarily due to increases in net tuition and fees of \$15.7 million, other auxiliary enterprise revenue of \$3.3 million, student loan interest and other operating revenues of \$1.3 million, sales and service of educational activities of \$0.8 million, F&A recovery of \$0.7 million and net investment income of \$0.6 million offset by an increase in operating expenses of \$20.5 million including increases of \$20.6 million in compensation and benefits and \$5.2 million in scholarships and fellowships with a decrease of \$5.3 million in supplies and services. The decrease of \$11.7 million in 2015 was primarily due to increases in net tuition and fees of \$18.5 million and other auxiliary enterprises revenues of \$1.1 million offset by decreases in student loan interest and other operating revenues of \$1.4 million and net investment income of \$10.5 million, as well as increases in operating expenses of \$8.5 million, including \$2.0 million in compensation and benefits, \$4.0 million in supplies and services, and \$2.5 million in scholarships and fellowships, and increased internal transfers of \$4.5 million to capital assets.

Statements of Revenues, Expenses and Changes in Net Position

The components of the change in net position are presented in the Statements of Revenues, Expenses and Changes in Net Position. This statement displays the revenues earned by the University, the expenses incurred by the University and the resulting increase or decrease in net position. Revenues and expenses are categorized as either operating or non-operating, and net operating income or loss is displayed. Operating revenues generally are those earned through providing services or goods to the University's customers. Operating expenses are incurred in providing those services and goods. Significant recurring sources of the University's revenues, including state appropriations, gifts, and investment income or loss are considered non-operating.

Condensed information for the year ended June 30, 2016, with comparative totals for the years ended June 30, 2015* and June 30, 2014* are located in the chart at the bottom of page 12.

Net position decreased by \$9.2 million in 2016 and decreased by \$12.3 million in 2015. Contributors to the decrease in 2016 include a decrease in net investment income of \$11.5 million, an increase in operating expenses of \$22.5 million offset by an increase in net tuition and fee revenue of \$15.7 million, auxiliary enterprise revenue of \$3.3 million and Federal, state, and private grants and contracts of \$3.0 million. Contributors to the decrease in 2015 include a decrease in net investment income of \$55.9 million, an increase in operating expenses of \$5.7 million offset by an increase in net tuition and fee revenue of \$18.5 million, auxiliary enterprise revenue of \$1.1 million and transfers to UVM from component units of \$4.4 million.

Significant components of operating revenues include the following:

- *Student Tuition and Residential Life Fees, net of scholarship allowance*, are the largest component of operating revenues and the primary source of funding for the University's academic programs. Net student fees increased by \$15.7 million in 2016, comprised of an increase to tuition and fees of \$20.8 million, or 5.7%, an increase to residential life revenues of \$0.6 million, or 1.0%, and by an increase in scholarship allowances of \$5.7 million, or 6.1%. Net student fees increased by \$18.5 million in 2015, comprised of an increase to tuition and fees of \$17.2 million, or 5.0%, an increase to residential life revenues of \$3.6 million, or 6.5%, and by an increase in scholarship allowances of \$2.3 million, or 2.7%. Scholarship and fellowship awards applied to student accounts are presented as a reduction of student tuition and fee and residential life revenues, while payments directly made to students are presented as scholarship and fellowship expenses. Total scholarships and fellowships of \$113.5 million, \$108.3 million, and \$105.3 million, were awarded to students in 2016, 2015, and 2014, respectively. This represents a total increase of \$5.2 million, or 4.8%, for 2016 as compared to a \$3.0 million increase, or 2.8%, for 2015.
- *Revenues for sponsored programs* of \$173.7 million in 2016, \$170.6 million in 2015, and \$171.3 million in 2014, include federal appropriations, grants and contracts, as well as state and non-governmental grants and contracts that normally provide for the recovery of direct and indirect costs or expenses. The increase in fiscal 2016 is due to an increase of University of Vermont Medical Center Commitment and Dean's Tax funds, as well as Area Health Education Center matching funds, offset slightly by decreased federal, state and private grants and contracts. The minimal change in fiscal 2015 is due to steady funding. Revenues for sponsored programs are generally recognized when expenses are incurred or when significant milestones have been met under the terms of the award. The revenues for sponsored programs include recovery of indirect costs, referred to as facilities and administrative costs, of \$25.5 million, \$24.9 million, and \$25.5 million, in 2016, 2015, and 2014, respectively.
- *Auxiliary enterprise and educational activities revenues* totaled \$52.1 million, \$48.0 million, and \$46.9 million, in 2016, 2015, and 2014, respectively. Auxiliary enterprises include business type enterprises such as the bookstore, printing, mail services and conferences and events that provide support to the University's primary missions of education, research and public service. The \$4.1 million increase in 2016 is primarily due to commissions under the new dining contract. The \$1.1 million increase in 2015 is primarily due to fee revenue for the Global Gateway Program and health fees collected.
- *Student loan interest and other operating revenues* were \$19.1 million, \$17.1 million, and \$16.9 million in 2016, 2015, and 2014, respectively.

Significant components of operating expenses include the following:

- *Compensation and benefits* of \$419.8 million, \$398.4 million, and \$393.3 million in 2016, 2015, and 2014, respectively, comprise the most significant portion of total expenses. Compensation and benefits increased by \$21.4 million, or 5.4% in 2016 and by \$5.1 million, or 1.3% in 2015. The fiscal 2016 change reflected budgeted increases of 2.75% for faculty and between 1.60-2.50% for staff. There was also an increase to the regular benefit rate and a new student employee

benefit rate. The fiscal 2015 change reflected budgeted increases of 2.0% in the non-represented staff salary pool and the faculty salary pool along with increased fringe benefits rates for Medical Group faculty, Civil Service and temporary employees. In addition, health plan benefit costs increased by \$1.2 million, or 2.3%, in 2016 and decreased by \$0.3 million, or 0.6%, in 2015.

- *Supplies and services* expenses increased by \$1.7 million, or 1.0% in 2016 and remained constant in 2015. This classification encompasses the many and varied non-compensation expenses that are required for the operation of the University, including utilities, professional services, non-capitalized equipment, and minor renovations.
- *Depreciation* expense decreased slightly by \$0.2 million, or 0.7%, in 2016 and increased slightly by \$0.1 million, or 0.2%, in 2015.
- *Scholarships and fellowships* of \$16.0 million in 2016, \$16.4 million in 2015, and \$15.8 million in 2014 are comprised of direct payments to students. As noted earlier, in addition to the amounts reflected in scholarships and fellowships expense, financial aid is applied to tuition and residential life fees and amounts applied to each are reflected in the financial statements as a reduction of those revenues.

Significant components of non-operating revenues and expenses include the following:

- *State appropriations*, which represent funding provided by the State of Vermont, were \$43.0 million, \$43.0 million, and \$43.3 million, in 2016, 2015, and 2014, respectively, remaining steady in 2016 and decreasing by 0.6% in 2015.
- *Federal Pell grants*, which represents funds received from the federal government to help low-income undergraduate students were \$7.2 million, \$8.0 million, and \$8.2 million in 2016, 2015, and 2014, respectively.
- *Intergovernmental Transfers* totaled \$13.5 million, \$13.1 million, and \$13.2 million in 2016, 2015 and 2014, respectively. This represents contributions to the State of Vermont to support the Graduate Medical Education program.
- *Private gifts and Transfers to UVM from Component Units* totaled \$19.1 million, \$20.3 million, and \$19.5 million, in 2016, 2015, and 2014, respectively.

- *Gain (loss) on disposal of capital assets* totaled \$9.7 million and \$0.4 million and in 2016 and 2015 respectively. In fiscal 2016, the University sold off a parcel of land which resulted in a gain of \$9.3 million.
- *Transfers to Component Units from UVM* totaled \$9.0 million and \$9.7 million in 2016 and 2015, respectively. These transfers were to the UVM Foundation, Inc. from the University to assist the Foundation in its operations.
- *Net investment income/(loss)* was (\$6.9) million, \$4.7 million, and \$60.5 million in 2016, 2015, and 2014, respectively. Net investment income includes realized investment income and the change in the unrealized appreciation or depreciation of investments. Net investment income in fiscal 2016 was affected greatly by volatility in the financial markets. The change in unrealized appreciation/ (depreciation) included in net investment income was \$(19.8) million in 2016, \$(20.4) million in 2015, and \$34.0 million in 2014. Realized gains and other income included in net investment income totaled \$12.9 million, \$25.1 million, and \$26.5 million in 2016, 2015, and 2014, respectively.
- *Interest on indebtedness* totaled \$17.2 million in 2016, \$20.5 million in 2015, and \$21.4 million in 2014. Interest on indebtedness represents interest on notes and bonds net of capitalized interest.

Other financial resources presented after *Revenue (Loss) before capital and endowment additions* include the following:

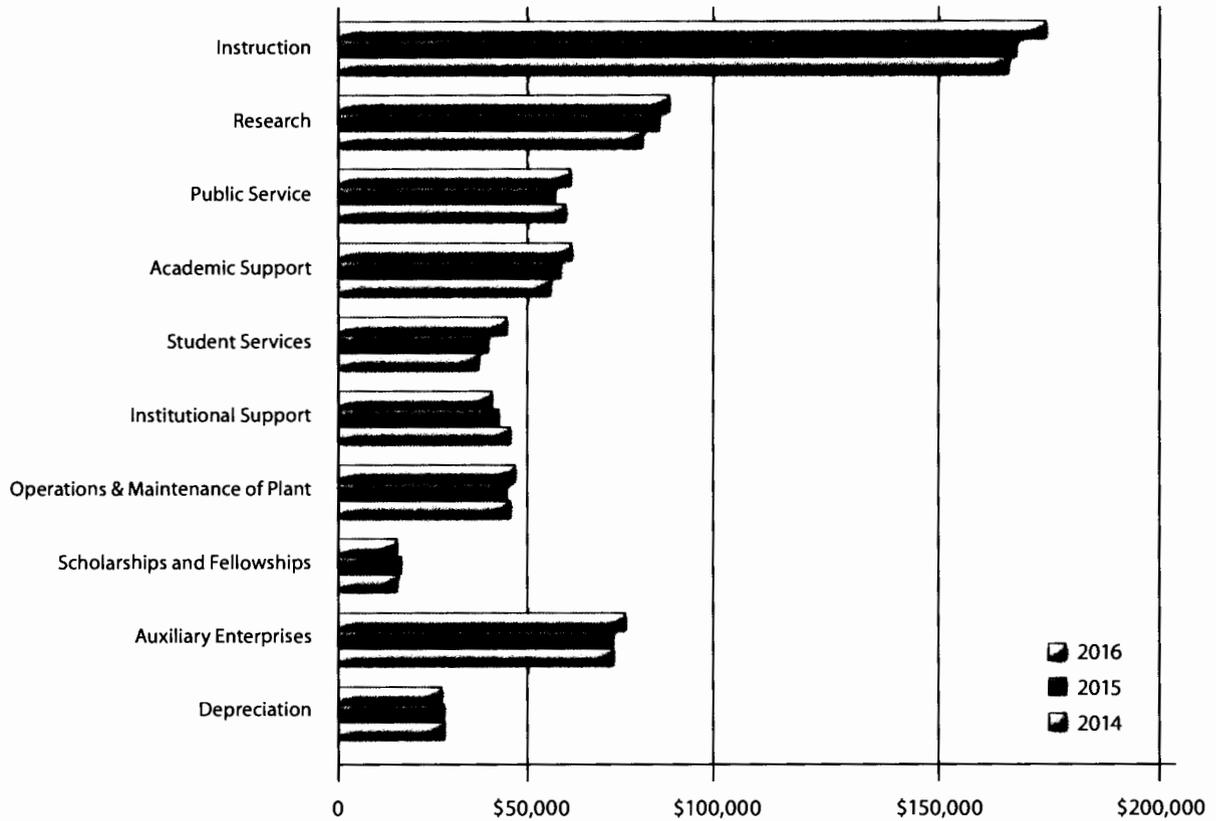
- *State capital appropriations* were \$1.4 million, \$1.4 million, and \$1.4 million in 2016, 2015 and 2014, respectively.
- *Capital and endowment gifts and grants* were \$1.8 million, \$0.5 million, and \$0.7 million, in 2016, 2015, and 2014, respectively.

Expenses are presented in the financial statements by natural classification, according to the type of expense, such as compensation and benefits. In addition, expenses may be aggregated by the functions that they support. Total expenses increased by \$22.5 million, or 3.7%, in 2016 and \$5.7 million, or 0.9%, in 2015. With the exception of scholarships and fellowships, depreciation, and interest expense, the changes in each of the functional categories reflect the changes in compensation and benefits and supplies and services.

The following chart presents total expenses by function for 2016, 2015, and 2014:

Operating Expenses by Functional Classifications

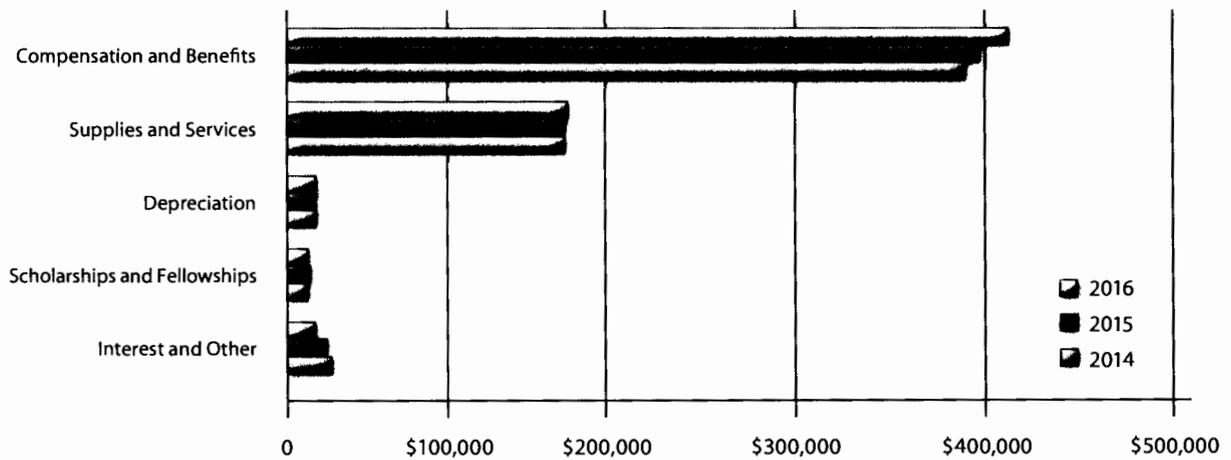
(\$ in thousands)



The following chart presents total expenses by natural classification for 2016, 2015, and 2014:

Operating Expenses by Natural Classifications

(\$ in thousands)



Statements of Net Position

as of June 30, 2016 and 2015

(dollars in thousands)

	2016	*Restated 2015	UMEA 2016	UMEA 2015	UVMF 2016	UVMF 2015
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 117,506	\$ 73,228	\$ 414	\$ 410	\$ 12,368	\$ 41,566
Operating investments	122,237	119,948	50,053	34,726	28,525	5
Investments for capital activities	29,218	29,913	-	-	-	35
Accounts, loans, notes and pledges receivable, net	47,448	52,033	507	628	2,156	1,790
Inventories and prepaid expenses	12,600	12,027	10	10	356	502
Total current assets	329,009	287,149	50,984	35,774	43,405	43,898
Non-current assets:						
Endowment cash, cash equivalents and investments	408,936	421,596	-	-	66,590	31,429
Student loans, notes, and pledges receivable, net	34,125	24,345	-	-	2,326	2,760
Deposits with trustees	102,187	11,198	-	-	1,138	1,095
Prepaid expenses and other assets	405	645	-	-	-	-
Capital assets, net	574,798	519,190	-	-	6,113	1,006
Total non-current assets	1,120,451	976,974	-	-	76,167	36,290
Total Assets	1,449,460	1,264,123	50,984	35,774	119,572	80,188
DEFERRED OUTFLOWS OF RESOURCES						
Loss on refunding of debt	3,524	3,676	-	-	-	-
Total Deferred Outflows of Resources	3,524	3,676	-	-	-	-
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	71,124	57,651	552	302	9,843	13,400
Unearned revenue, deposits, and funds held for others	58,057	42,718	32,843	16,840	1,617	71
Bonds and leases payable	10,089	8,306	-	-	-	-
Total current liabilities	139,270	108,675	33,395	17,142	11,460	13,471
Non-current liabilities:						
Accrued liabilities	19,401	17,956	-	-	-	-
Postemployment benefits	202,356	169,697	-	-	-	-
Bonds and leases payable	564,726	444,014	-	-	3,000	-
Total non-current liabilities	786,483	631,667	-	-	3,000	-
Total Liabilities	925,753	740,342	33,395	17,142	14,460	13,471
DEFERRED INFLOWS OF RESOURCES						
Service concession arrangement	9,012	-	-	-	-	-
Total Deferred Inflows of Resources	9,012	-	-	-	-	-
NET POSITION						
Net investment in capital assets	80,234	73,660	-	-	3,113	1,006
Restricted:						
Non-Expendable	111,533	109,056	-	-	60,436	24,584
Expendable	299,276	321,975	12,124	11,665	39,012	35,641
Unrestricted	27,176	22,766	5,465	6,967	2,551	5,486
Total Net Position	\$ 518,219	\$ 527,457	\$ 17,589	\$ 18,632	\$105,112	\$ 66,717

The accompanying notes are an integral part of the financial statements.
*Refer to footnote A2 of audited financial statements for a discussion of the restatement

Statements of Revenues, Expenses and Changes in Net Position

for the years ended June 30, 2016 and 2015

(dollars in thousands)

	*Restated 2016	2015	UMEA 2016	UMEA 2015	UVMF 2016	UVMF 2015
Operating revenues						
Tuition and fees	\$ 382,191	\$ 361,410	\$ -	\$ -	\$ -	\$ -
Residential life	59,744	59,153	-	-	-	-
Less scholarship allowances	(97,475)	(91,851)	-	-	-	-
Net student tuition and fees	344,460	328,712	-	-	-	-
Federal, state, and private grants and contracts	173,683	170,640	-	-	1,065	168
Sales and services of educational activities	7,494	6,683	-	-	-	-
Other auxiliary enterprises	44,627	41,294	-	-	-	-
Student loan interest and other operating revenues	19,082	17,076	498	501	427	456
Total operating revenues	589,346	564,405	498	501	1,492	624
Operating expenses						
Compensation and benefits	(419,798)	(398,374)	(238)	(329)	(7,801)	(7,810)
Supplies and services	(171,719)	(170,034)	-	-	(3,545)	(3,427)
Depreciation	(26,422)	(26,596)	-	-	(26)	(26)
Scholarships and fellowships	(16,002)	(16,405)	-	-	-	-
Total operating expenses	(633,941)	(611,409)	(238)	(329)	(11,372)	(11,263)
Operating income (loss)	(44,595)	(47,004)	260	172	(9,880)	(10,639)
Non-operating revenues (expenses)						
State appropriations	43,016	43,012	-	-	-	-
Federal Pell grants	7,186	8,015	-	-	-	-
Private gifts	511	424	359	5,339	27,603	31,191
Net investment income	(6,862)	4,680	645	562	269	504
Interest on indebtedness	(17,163)	(20,544)	-	-	-	-
Gain on disposal of capital assets	9,742	408	-	-	-	-
Net other non-operating expense	(378)	(365)	-	-	(470)	(593)
Intergovernmental transfers	(13,492)	(13,055)	-	-	-	-
Transfers from UVM to component units	(9,008)	(9,655)	-	-	8,385	9,592
Transfers to UVM from component units	18,579	19,874	(2,307)	(2,619)	(16,099)	(17,166)
Net non-operating revenues	32,131	32,794	(1,303)	3,282	19,688	23,528
Revenue (loss) before capital & endowment additions	(12,464)	(14,210)	(1,043)	3,454	9,808	12,889
State capital appropriations	1,400	1,400	-	-	-	-
Capital gifts and grants	180	162	-	-	-	-
Gifts for endowment purposes	1,646	352	-	-	28,587	907
Total capital and endowment additions	3,226	1,914	-	-	28,587	907
Increase (decrease) in net position	(9,238)	(12,296)	(1,043)	3,454	38,395	13,796
Net Position, Beginning of Year	527,457	522,987	18,632	15,178	66,717	52,921
<i>Cumulative effect of change in accounting principle*</i>	-	16,766	-	-	-	-
<i>Net Position, Beginning of Year Adjusted</i>	-	539,753	-	-	-	-
Net Position, End of Year	\$ 518,219	\$ 527,457	\$ 17,589	\$ 18,632	\$ 105,112	\$ 66,717

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

**Refer to footnote A2 of audited financial statements for a discussion of the restatement*

Statements of Cash Flows
for the years ended June 30, 2016 and 2015
(dollars in thousands)

	2016	2015
Cash Flows From Operating Activities		
Tuition and fees (net of applicable discounts)	\$ 298,797	\$ 280,482
Grants and contracts	175,225	168,518
Sales and services of educational activities	7,494	6,683
Sales and services of auxiliary enterprises:		
Residential life fees, net of scholarship allowances	46,567	46,234
Other	44,627	41,294
Payments to employees and benefit providers	(387,303)	(377,146)
Payments to vendors	(158,501)	(168,204)
Payments for scholarships and fellowships	(16,002)	(16,405)
Student loans issued	(2,909)	(3,902)
Student loans collected, interest and other revenue	3,606	4,551
Other receipts, net	18,510	16,491
Net cash (used in) provided by operating activities	30,111	(1,404)
Cash Flows From Non-capital Financing Activities		
State general appropriation	43,016	43,012
Federal Pell grants	7,186	8,015
Private gifts for other than capital purposes	1,978	2,516
Intergovernmental transfers	(13,492)	(13,055)
Transfers from UVM to component units	(9,008)	(9,655)
Transfers to UVM from component units	25,475	12,978
Deposits of affiliates and life income payments	9,900	1,871
Net cash provided by non-capital financing activities	65,055	45,682
Cash Flows From Capital Financing Activities		
Proceeds from issuance of capital debt	196,169	75,213
State capital appropriation	1,400	1,400
Capital grants, gifts and other income	117	293
Purchases and construction of capital assets	(79,410)	(20,805)
Disposal of capital assets	7,515	328
Principal and interest paid on capital debt	(89,605)	(103,327)
Changes in deposits with trustees, net	(92,420)	888
Net cash used in capital financing activities	(56,234)	(46,010)
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	143,756	165,420
Purchase of investments	(151,531)	(187,643)
Interest and dividends on investments, net	5,771	5,190
Net cash used in investing activities	(2,004)	(17,033)
Net Increase (decrease) in Cash and Cash Equivalents	36,928	(18,765)
Cash and cash equivalents - beginning of year	94,461	113,226
Cash and Cash Equivalents - End of Year *	\$ 131,389	\$ 94,461
Reconciliation of Operating Loss To Cash Used by Operating Activities		
Operating loss	\$(44,595)	\$(47,004)
Adjustments to reconcile operating loss to net cash used in Operating Activities:		
Depreciation expense	26,422	26,596
Changes in assets and liabilities:		
Accounts receivable and loan receivables, net	(9,171)	(4,635)
Inventories and prepaid expense	(571)	(1,150)
Accounts payable	7,716	(265)
Unearned revenue, deposits and accrued liabilities	50,310	25,054
Net cash used in operating activities	\$ 30,111	\$ (1,404)

* of total cash and cash equivalents for 2016, \$117,506 is current and \$13,883 is non-current endowment and for 2015, \$73,228 is current and \$21,233 is non-current endowment

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

Notes to Financial Statements

For the Years Ended June 30, 2016 and 2015

A. Summary of Significant Accounting Policies and Presentation

The University of Vermont and State Agricultural College is a public, non-profit, comprehensive research institution of higher education with an enrollment of approximately 12,200 undergraduate, graduate, and medical students. It is located in Burlington, Vermont with satellite instructional and research buildings throughout the State.

The University of Vermont and State Agricultural College is a component unit of the State of Vermont as it receives an annual appropriation from the State.

The University has received a letter from the Internal Revenue Service recognizing the University as an organization that is described in Internal Revenue Code Section 501(c)(3) and generally exempt from income taxes pursuant to Section 501(a) of the Internal Revenue Code.

1. Affiliated Organizations

University Medical Education Associates, Inc. (UMEA) is a legally separate component unit of the University of Vermont. UMEA is an organization described in Internal Revenue Code Section 501(c)(3) and is generally exempt from income taxes pursuant to Section 501(a) of the Code. UMEA is governed by a minimum nine-member board; five members are named as a result of their positions at the University of Vermont and the remaining are elected by the other members. UMEA's purpose is to support the operations, activities and objectives of the Robert Larner M.D. College of Medicine of the University of Vermont. UMEA is a public non-profit organization that reports under Financial Accounting Standards Board (FASB) standards. UMEA's fiscal years end on June 30. UMEA issues separate audited financial statements, which may be obtained by contacting the Dean's Office, Robert Larner M.D. College of Medicine. In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB 14 and 34)*, UMEA is discretely presented on the University's Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position.

The University of Vermont and State Agricultural College Foundation, Inc. (UVMF) was incorporated as a Vermont nonprofit corporation on March 14, 2011, and is a legally separate entity from the University of Vermont. On January 1, 2012, UVMF officially assumed all fundraising responsibilities of the Office of Development and Alumni Relations at the University. UVMF is an organization described in Internal Revenue Code Section 501(c)(3) and is generally exempt from income taxes pursuant to Section 501(1) of the Code. UVMF exists to secure and manage private gifts for the sole benefit of the University and has been recognized by the University as the primary and preferred recipient for charitable gifts to or for the benefit of the University. UVMF is governed by a board of directors composed of not less than 15 or more than 29 members, including ex officio directors. The President of the University, the Chair of the Board of Trustees of the University, the President of the UVM Alumni Association, the Chair of the UVM Medical Center Foundation, and the UVMF President/CEO are ex officio directors of UVMF. UVMF reports under Financial Accounting Standards Board (FASB) standards, has a fiscal year end date of June 30, and issues separate audited financial statements, which may be obtained at the UVMF's website

www.uvmfoundation.org or by contacting the UVMF's main office at 411 Main Street, Burlington, VT. In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB 14 and 34)*, UVMF is discretely presented on the University's Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position.

The University has an affiliation with the University of Vermont Medical Center, Inc. (formally named Fletcher Allen Health Care, Inc.), University of Vermont Medical Group, Inc., and the University of Vermont Health Network, Inc. (formerly named Fletcher Allen Partner, Inc.) through an updated Affiliation Agreement signed in June, 2014. The Affiliation Agreement is for a period of five years. The Agreement is to guide and govern the parties in the achievement of their common goals, including, but not limited to, providing high-quality clinical education for undergraduate and graduate students enrolled in UVM medical and health care related academic programs and health care professionals enrolled in continuing education programs. The Agreement sets forth principles and protocols designed to assist the University and the University of Vermont Medical Center (UVMCMC) in coordinating efforts and allocating their resources. UVMCMC agrees to pay a portion of salary, benefits, and related expenses incurred by the University to physician-faculty and staff who are also employed by UVMCMC. In addition, UVMCMC agrees to pay base payments that help maintain medical facilities owned and managed by the University and the Dana Medical Library. UVMCMC agrees to pay a portion of the UVM Medical Group Net Patient Revenues, referred to as the Dean's Tax, to the Robert Larner M.D. College of Medicine for purposes that promote and are consistent with the common goals of both parties.

2. Basis of Accounting

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles as defined for public colleges and universities by the GASB.

Net position is categorized as follows:

- **Net investment in capital assets:** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Such assets include the University's physical plant.
- **Restricted:**
 - **Non-Expendable** - Net position subject to externally imposed stipulations that they be maintained permanently by the University. This category includes the corpus of the University's true endowment funds.
 - **Expendable** - Net position whose use by the University is subject to externally imposed stipulations that can be fulfilled by actions of the University to meet those stipulations or that expire through the passage of time. This category includes restricted gifts, grants and contracts.
- **Unrestricted:** Net position not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management, the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

The University's policy for defining operating activities as reported on the Statements of Revenues, Expenses, and Changes in Net Position are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Non-exchange transactions such as gifts, investment income, state appropriations and interest on indebtedness are reported as non-operating revenues and expenses.

	As Previously Reported	GASB 72 Adjustment	OPEB Correction	As Restated
Net position as of July 1, 2014	\$ 522,987	\$ 16,766	\$ -	\$ 539,753
<i>For the year ended June 30, 2015:</i>				
Net investment income	4,372	308	-	4,680
Compensation and benefits expense	402,094	-	(3,720)	398,374
Increase/(decrease) in net position	(16,324)	308	3,720	(12,296)
Net position as of June 30, 2015	\$ 506,663	\$ 17,074	\$ 3,720	\$ 527,457

When both restricted and unrestricted net position are available and appropriate to fund an expense, the University's practice is to allow the budget manager to determine which to use in each instance.

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates. The most significant areas that require management estimates relate to valuation of certain investment balances, the valuation of the postemployment benefit obligation, allowances on accounts and loans receivable, depreciation, and certain accruals.

During fiscal year 2016, the University identified certain costs related to the federal government's Medicare Part D pharmacy program called an Employer Group Waiver program (EGWP). This program was activated at the University on January 1, 2015. The program costs from January 1, 2015 through June 30, 2015 were not included in contributions during fiscal year 2015 for the calculation of the increase in net OPEB obligation. This resulted in an overstatement in fiscal 2015 in compensation and benefit expense on the Statements of Revenues, Expense and Changes in Net Position and in postemployment benefits liability on the Statements of Net Position of \$3,720. The University has concluded that the expense reported in the prior period was an error and that it is immaterial to all periods previously presented. To facilitate period-over-period comparisons, the University has revised its prior period financial statements to reflect the corrections in the period in which the expenses were incurred. As a result, the University recorded \$3,720 less of compensation and benefit expense and postemployment benefits liability in the year ended June 30, 2015.

GASB statement 72, *Fair Value Measurements and Application*, was issued and became effective for financial statement periods beginning after June 15, 2015. GASB 72 sets forth the framework for measuring fair value. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. GASB 72 also provides additional guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Prior to fiscal 2016, the University had recorded investments in private partnerships including private equity, venture capital, and real estate partnerships at cost as they did not meet the definition of marketable securities as previously defined by GASB. GASB 72 requires that these partnerships be reported at estimated fair value which the University obtains from the investment managers in the absence of readily determinable public market values. As such, the University restated fiscal 2015 endowment cash, cash equivalents and investments from \$404,522 to \$421,597 and net position as follows:

3. Fair Value Measurement

GASB statement 72, *Fair Value Measurements and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used for measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB 72 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the University has the ability to access.

Level 2 - Inputs to valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the University's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumption of risk). Unobservable inputs are developed based on the best information available in circumstances and may include the University's own data.

In addition to the three levels described above, GASB 72 has guidance that allows for estimates of fair value for certain investments measured at net asset value (NAV) without further adjustment as of the reporting entity's measurement date if NAV is calculated consistent with guidance in Accounting Standards Codification 946, *Financial Services - Investment Companies*. The University utilizes NAV as its estimate of fair value for those funds whose value is determined by the appropriate manager or general partner. The majority of investments reported at NAV consist of shares or units in funds as opposed to direct interests in the funds' underlying securities, which may be readily marketable and not difficult to value.

Investments in certain funds contain lock-up provisions. Under such provisions, share classes of the investment are available for redemption at various times in accordance with the management agreement of the fund.

The assets or liabilities level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The determination of what constitutes observable requires judgement by the University's management. University management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market.

The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to University management's perceived risk of that investment.

These valuations may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the University believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Because of the inherent uncertainty of valuations, the estimated values as determined by the appropriate manager or general partners may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

4. Government Appropriations and Grants

Revenues associated with grants and contracts are generally recognized when related costs are incurred or when milestones are achieved. Federal, state and private grants and contracts revenue for 2016 and 2015 consists of:

Grants and Contracts	FY16	FY15
Federal appropriations, grants and contracts	\$ 115,455	\$ 116,382
State grants and contracts	3,298	2,854
Private grants and contracts	54,930	51,404
TOTAL	\$ 173,683	\$ 170,640

State appropriations (general fund and capital) are reported as non-operating revenue.

The University has recorded reimbursement of indirect costs relating to government contracts and grants at a predetermined rate. The reimbursement of indirect costs included in grant revenue is \$25.5 million in 2016 and \$24.8 million in 2015.

Private grants and contracts includes funding of \$13.5 million in 2016 and \$13.1 million in 2015 to the Robert Larner, M.D. College of

Medicine from the University of Vermont Medical Center, Inc. to offset facilities and operation costs.

5. Gifts

Gifts are recorded at their fair value and reported as non-operating revenue.

Promises to donate to the University are recorded as receivables and revenues when the University has met all applicable eligibility and time requirements. Since the University cannot fulfill the requirement to invest in perpetuity for gifts to endowments until the gift is received, pledges to endowments are not recognized until received.

6. Deposits and Unearned Revenue

Deposits and advance payments for the following academic year are deferred and recorded as revenues when earned. Summer session revenues are deferred to the extent that they relate to courses scheduled in July and August. Deposits and advance payments unearned revenue at June 30 is \$9,843 in 2016 and \$5,733 in 2015.

The University records unearned revenue for cash received in excess of expenditures on grants and contracts. Grants and contracts unearned revenue at June 30 is \$7,099 in 2016 and \$4,047 in 2015.

7. Employee Benefits

The University provides health and dental insurance to retired employees, hired prior to 2012, and their families during their lives and life insurance until age 70. Employees hired on or after January 1, 2012 will continue to receive dental insurance and life insurance upon retirement. The health insurance benefit for these employees hired after January 1, 2012 has been replaced with a defined contribution Retiree Health Savings Plan (RHSP). UVM makes regular tax free contributions to the RHSP for benefits-eligible faculty and staff. Earnings that accumulate in the RHSP grow tax free. Retirees will be able to access the savings in the RHSP to pay for eligible healthcare expenses upon retirement.

Health, dental and life insurance are paid by the University on a premium basis at the same rate as active employees for retirees under the age of 65 and at a slightly lower rate for retirees over the age of 65. The total cost for active and retired employees for health, dental and life insurance, net of employee contributions, was \$53,979 in 2016 and \$51,612 in 2015. The total cost for contributions to the RHSP was \$839 in 2016 and \$577 in 2015. See note L for further information about postemployment benefits.

8. Compensated Absences

The University accrues amounts for compensated absences (principally vacation allowances) as earned. They are included in the current portion of accrued liabilities.

As of June 30, 2016, \$19,786 (\$19,276 in 2015) was accrued for vacation pay of which \$14,617 (\$14,238 in 2015) was charged to unrestricted net assets and \$5,169 (\$5,037 in 2015) was included in deferred charges to be recovered from restricted expendable assets when paid.

9. Collections and Works of Art

The University maintains collections of inexhaustible assets, including works of art; historical artifacts; biological, geological, archaeological and ethnographic materials; and literature. While management believes the collections are quite valuable and irreplaceable, the University has not placed a dollar value on these assets. It is the University's policy to hold these assets for public exhibit, education and research rather than for financial gain and to protect, care for and maintain such assets in perpetuity. Accordingly, the collections are not capitalized for financial statement purposes.

B. Accounts, Loans, Notes, and Pledges Receivable

Accounts, loans, notes and pledges receivable at June 30, 2016 and 2015 are summarized as follows:

Accounts, Loans, Notes and Pledges Receivable, Net	June 30, 2016 June 30, 2015	
Current		
Federal, state, and private grants receivable	\$ 19,906	\$ 19,863
Student and trade accounts receivable, net	13,221	11,360
Other accounts receivable	10,655	16,738
Student loans receivable, net	2,338	2,608
Pledges receivable, net	1,328	1,464
Total Current	\$ 47,448	\$ 52,033
Non-Current		
Student loans receivable, net	\$ 20,392	\$ 21,710
Other notes receivable	11,456	5
Pledges receivable, net	2,277	2,630
Total Non-Current	\$ 34,125	\$ 24,345

The student accounts receivable are carried net of an allowance for doubtful accounts of \$336 in 2016 and \$352 in 2015.

Student loans receivable are carried net of an allowance for uncollectible UVM loans of \$98 current and \$784 non-current at June 30, 2016. At June 30, 2015, student loans receivable are carried net of an allowance for uncollectible UVM loans of \$129 current and \$982 non-current. The University does not record an allowance for uncollectible federal student loans since they can be assigned to the government if certain conditions stipulated by the federal government are met.

The University's liability for the federal capital contribution to the Perkins, Health Professions, Primary Care, and Nursing Student loan programs is \$8,155 for 2016 and \$8,174 for 2015. These amounts are included in non-current accrued liabilities.

Collections and disbursements of pass through student loans such as Federal Direct Loans, Federal Plus Loans, and Vermont Student Assistance Corporation's Green Mountain Loans are reported on a net basis in the Statements of Cash Flows.

Other notes receivable, non-current, includes the present value of expected future cash flows as a result of an agreement with Sodexo Management, Inc. (Note J) entered into in 2016. The non-current receivable balance is \$9,546 and the current receivable balance is \$1,294 in 2016.

Current and non-current pledges receivable are recorded at the present value of expected future cash flows, net of an allowance for unfulfilled pledges of \$85 in 2016 and \$93 in 2015 and \$145 in 2016 and \$168 in 2015, respectively. Discount rates ranging from 1.67% to 5.03% were applied to pledges.

Accounts receivable from the UVMF and UMEA are \$9,782 in 2016 and \$12,804 in 2015 and presented in accounts, loans, notes and pledges receivable, net on the Statements of Net Position.

C. Accounts Payable and Current Accrued Liabilities

Accounts payable and current accrued liabilities of \$71,124 in 2016 and \$57,651 in 2015 are composed of accounts payable of \$20,976 in 2016 and \$13,281 in 2015 and accrued liabilities of \$50,148 in 2016 and \$44,370 in 2015. Accounts payable is mostly comprised of supplies and services payables, including construction, renovation and equipment of \$17,752 in 2016 and \$9,636 in 2015.

D. Capital Assets

Capital assets are stated at cost or, in the case of gifts, at the fair value at the date of donation.

Interest expense, net of interest earnings on unspent bond proceeds, is capitalized for debt funded construction projects. In 2016, net interest expense of \$7,617 (\$9 in 2015) was capitalized for projects that were funded by the 2015 general obligation bond.

Depreciation is calculated using the straight-line method over the estimated economic useful lives of the related assets. Certain research buildings are classified into the following components: 1) building (basic construction components/shell) with an estimated useful life of 40 years; 2) building service systems (plumbing, electrical, etc.) with an estimated useful life of 25 years; 3) interiors/renovations with an estimated useful life of 20 years and 4) fixed equipment with an estimated useful life of 15 years.

Other buildings are depreciated over a useful life of 40 years, land improvements are depreciated over a useful life of 20 years, fixed equipment is depreciated over a useful life of 15 years, and movable equipment is depreciated over a useful life of 5 years. Software systems are depreciated over a useful life of 7 years. Major construction projects are capitalized, but are not depreciated until they are put into service.

Depreciation expense for buildings and components including fixed equipment for fiscal year 2016 is \$23,833 (\$24,385 in 2015). Moveable equipment, software systems, and land improvements depreciation expense is \$2,589 for 2016 (\$2,211 in 2015).

Land and construction in progress are the only non-depreciable capital assets.

Capital assets activity for the years ended June 30, 2016 and 2015 is summarized as follows:

Fiscal Year 2016

Asset	Beginning Balance	Additions	Deductions	Reclasses	Gross Balance	Accum. Deprec.	Net Balance
Land	\$ 28,009	\$ 83	\$ (23)	\$ -	\$ 28,069	\$ -	\$ 28,069
Land Improvements	2,591	850	(81)	-	3,360	(349)	3,011
Buildings	609,757	9,793	(7,002)	1,576	614,124	(251,040)	363,084
Building Service Systems	93,370	41	-	(354)	93,057	(41,027)	52,030
Building Interiors	59,605	82	-	-	59,687	(32,798)	26,889
Fixed Equipment	107,959	1,016	(220)	144	108,899	(92,967)	15,932
Moveable Equipment	26,322	1,916	(190)	850	28,898	(22,663)	6,235
Software Systems	29,611	-	-	-	29,611	(28,968)	643
Construction in Progress	10,380	70,741	-	(2,216)	78,905	-	78,905
TOTAL	\$ 967,604	\$ 84,522	\$ (7,516)	\$ -	\$ 1,044,610	\$ (469,812)	\$ 574,798

Fiscal Year 2015

Asset	Beginning Balance	Additions	Deductions	Gross Balance	Accum. Deprec.	Net Balance
Land	\$ 28,009	\$ -	\$ -	\$ 28,009	\$ -	\$ 28,009
Land Improvements	1,105	1,486	-	2,591	(185)	2,406
Buildings	605,537	4,547	(327)	609,757	(242,070)	367,687
Building Service Systems	92,868	502	-	93,370	(37,224)	56,146
Building Interiors	57,749	1,856	-	59,605	(30,333)	29,272
Fixed Equipment	107,057	903	(1)	107,959	(89,200)	18,759
Moveable Equipment	23,919	2,403	-	26,322	(20,672)	5,650
Software Systems	29,429	182	-	29,611	(28,730)	881
Construction in Progress	1,471	8,909	-	10,380	-	10,380
TOTAL	\$ 947,144	\$ 20,788	\$ (328)	\$ 967,604	\$ (448,414)	\$ 519,190

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F. Bonds and Leases Payable and Other
Long Term Liabilities

Debt obligations are generally callable by the University and bear interest at fixed rates ranging from 2.00% to 6.43%. The debt obligations mature at various dates through 2046.

On July 15, 2015 the University issued \$186,930 of Series 2015 General Obligation Bonds. The bonds were issued at a premium of \$9,532. The

proceeds from the bonds were used for three purposes including refunding a portion of the 2005 General Obligation Bonds, funding a portion of the Science, Technology, Engineering, and Math Complex project, and funding the new student housing project. The University incurred a deferred loss of \$65 on the refunding of the 2005 General Obligation Bonds.

Long term debt activity for the years ended June 30, 2016 and 2015 is summarized as follows:

Fiscal Year 2016

Long Term Liability	Beginning Balance	New Debt	Payments	Ending Balance	
				Current	Non-Current
Heat System Bond 1980 Issue (1),(2)	\$ 768	\$ -	\$ 768	\$ -	\$ -
General Obligation Bonds					
Series 2005 (3)	77,498	-	66,262	(52)	11,288
Series 2007 (4)	151,262	-	4,907	6,452	139,903
Series 2009 (5)	74,198	-	1,659	1,708	70,831
Series 2010A	9,000	-	-	-	9,000
Series 2010B (6)	17,875	-	39	40	17,796
Series 2012A (7)	46,560	-	(13)	(13)	46,586
Series 2014A (8)	75,093	-	313	1,591	73,189
Series 2015 (9)	-	196,462	-	329	196,133
Capital Leases	66	-	32	34	-
TOTAL	\$ 452,320	\$ 196,462	\$ 73,967	\$ 10,089	\$ 564,726

- (1) Revenue from the heat system is pledged as collateral under debt agreements.
- (2) The assets are pledged as collateral under debt agreements.
- (3) This balance shown is net of bond discount of \$1,033.
- (4) This balance shown includes bond premium of \$3,600.

- (5) This balance shown is net of bond discount of \$966.
- (6) This balance shown includes bond premium of \$485.
- (7) This balance shown is net of bond discount of \$287.
- (8) This balance shown includes bond premium of \$6,542.
- (9) This balance shown includes bond premium of \$9,532.

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Fiscal Year 2015

Long Term Liability	Beginning Balance	New Debt	Payments	Ending Balance	
				Current	Non-Current
Heat System Bond					
1980 Issue (1),(2)	\$ 925	\$ -	\$ 157	\$ 81	\$ 687
General Obligation Bonds					
Series 2005 (3)	153,382	-	75,884	1,289	76,209
Series 2007 (4)	155,979	-	4,717	4,907	146,355
Series 2009 (5)	75,806	-	1,608	1,658	72,540
Series 2010A	9,000	-	-	-	9,000
Series 2010B (6)	17,915	-	40	40	17,835
Series 2012A (7)	46,547	-	(13)	(13)	46,573
Series 2014A (8)	-	75,093	-	312	74,781
Capital Leases	156	-	90	32	34
TOTAL	\$ 459,710	\$ 75,093	\$ 82,483	\$ 8,306	\$ 444,014

- (1) Revenue from the heat system is pledged as collateral under debt agreements.
 (2) The assets are pledged as collateral under debt agreements.
 (3) This balance shown includes bond premium of \$98.
 (4) This balance shown includes bond premium of \$3,732.

- (5) This balance shown is net of bond discount of \$1,007.
 (6) This balance shown includes bond premium of \$525.
 (7) This balance shown is net of bond discount of \$300.
 (8) This balance shown includes bond premium of \$6,853.

In compliance with the University's various bond indentures, at June 30, 2016 the University has deposits with trustees of \$93,447 (\$1,028 in 2015) for debt service reserves, sinking funds, and other requirements. Deposits with trustees are invested in obligations of the U.S. Government as required

by the University's bond indentures.

The principal and interest due on bonds over the next five years and in subsequent five year periods are presented in the table below.

For the Fiscal Year			
Ending June 30	Principal Due	Interest Due	Total Due
2017	\$ 9,384	\$ 25,568	\$ 34,952
2018	9,635	25,172	34,807
2019	12,405	24,680	37,085
2020	12,985	24,076	37,061
2021	13,445	23,436	36,881
2022-2026	69,515	107,420	176,935
2027-2031	89,555	87,646	177,201
2032-2036	113,040	65,631	178,671
2037-2041	138,820	33,595	172,415
2042-2046	88,160	8,879	97,039
TOTAL	\$ 556,944	\$ 426,103	\$ 983,047

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Other long term liabilities at June 30, 2016 and 2015 are summarized below:

Fiscal Year 2016

Other Long Term Liabilities	Beginning Balance	Increases	Decreases	Ending Balance	
				Current	Non-Current
Federal Student Loan Capital Contribution	\$ 8,175	\$ -	\$ 19	\$ -	\$ 8,156
Green Mountain Loan Guarantee	1,492	-	205	-	1,287
Obligations under deferred giving arrangements	8,239	2,197	1,998	382	8,056
Postemployment Benefits	169,697	44,908	12,249	-	202,356
Service Concession Arrangement	-	1,828	-	203	1,625
Other Accrued Liabilities	401	26	150	-	277
TOTAL	\$ 188,004	\$ 48,959	\$ 14,621	\$ 585	\$ 221,757

Fiscal Year 2015

Other Long Term Liabilities	Beginning Balance	Increases	Decreases	Ending Balance	
				Current	Non-Current
Federal Student Loan Capital Contribution	\$ 8,229	\$ -	\$ 54	\$ -	\$ 8,175
Green Mountain Loan Guarantee	1,596	-	104	-	1,492
Obligations under deferred giving arrangements	8,274	2,832	2,867	351	7,888
Postemployment Benefits	149,018	33,546	12,867	-	169,697
Other Accrued Liabilities	324	154	77	-	401
TOTAL	\$ 167,441	\$ 36,532	\$ 15,969	\$ 351	\$ 187,653

F. Cash and Cash Equivalents and Operating Investments

The University's cash management policy provides parameters for investment of the University's pooled cash. The University classifies resources invested in money market funds and short-term investments with maturities at date of purchase of 90 days or less as cash equivalents. Operating funds invested in instruments with maturities beyond 90 days are classified as operating investments. The cash management policy establishes three pools for investment: short, intermediate and long term. Allowable investments for the short term pool, which includes cash and cash equivalents and other investments with weighted average maturities of up to one year, and the intermediate pool, which includes investments with a weighted average maturity of between one and six years, are restricted by investment type, dollar level, maturity and rating to mitigate credit risk on investments individually and in the aggregate. Investments are restricted to U.S. Treasury and government securities and high quality corporate securities and commercial and bank paper. Debt securities must be rated Aaa, Aa, A or BBB by Moodys or AAA, AA, A or BBB by Standard and Poors. Bank obligations, banker's acceptances or negotiable certificates of deposit must be rated B or better and no more than 20% of the funds in the cash pool can be in obligations of institutions within any single holding company. Commercial paper must be rated A-1 by Standard and Poors or P-1 by Moodys. Investments may include repurchase agreements secured by the U.S government and federal agency obligations, which shall have market values of at least 100% of the amount of the

repurchase agreement. Investments may also include repurchase agreements with banks having Fitch ratings no lower than B with the condition that these repurchase agreements are 100% collateralized with U.S. government securities. Investments may also include commingled funds if they are in compliance with certain guidelines. Investments of the long term pool are restricted to those allowable under the University's Statement of Objectives and Policies for the Long Term Investment Pool, including the endowment fund.

Current and non-current cash and cash equivalents are comprised of the following:

Cash and Cash Equivalents	June 30, 2016	June 30, 2015
Cash	\$ 79,295	\$ 42,208
Repurchase Agreements	-	681
Certificates of Deposit	51,692	25,210
Money Markets	402	26,362
TOTAL	\$ 131,389	\$ 94,461

Of total cash and cash equivalents above, \$13,883 in 2016 and \$21,233 in 2015 are included in non-current endowment cash and cash equivalents.

The balance of cash held in bank deposit accounts was \$131,971 at June 30, 2016 and \$67,738 at June 30, 2015. Of these bank balances, \$714 in 2016 and \$763 in 2015 were covered by the Federal Depository Insurance Corporation. The University also has an irrevocable standby letter of credit up to \$82,000.

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Total operating investments were \$122,237 at June 30, 2016 and \$119,948 at June 30, 2015. Operating investments invested in the long term pool were \$10,229 at June 30, 2016 and \$10,534 at June 30, 2015 (see note G).

Short and intermediate term operating investments at June 30, 2016 and 2015 were primarily made through commingled funds with the following investment strategies:

2016	UVM Amount	Average Maturity/ Effective Duration	Govt/ Agency	Credit Quality %				
				AAA	AA	A	BBB	Other
Bonds	\$ 102,056	3.0 yrs/ 2.9 yrs	38	-	15	32	15	-
Multi Strategy Equity Fund	9,383							
Other	<u>569</u>							
TOTAL	<u>\$ 112,008</u>							

2015	UVM Amount	Average Maturity/ Effective Duration	Govt/ Agency	Credit Quality %				
				AAA	AA	A	BBB	Other
Bonds	\$ 98,746	3.1 yrs/ 2.9 yrs	36	1	14	35	12	2
Multi Strategy Equity Fund	9,647							
Other	<u>1,021</u>							
TOTAL	<u>\$ 109,414</u>							

G. Investments

Investments are reported in three categories in the Statements of Net Position. Investments reported as non-current assets include endowment, annuity, and life income funds. Investments for capital activities reported as current assets are replacement reserves designated for capital renovations. All other investments are reported as operating investments.

Deposits with trustees include \$7,631 in 2016 and \$9,057 in 2015 of assets held under deferred giving arrangements, \$1,109 in 2016 and \$1,113 in 2015 of investments in the waste disposal fund required by the EPA, and \$93,447 in 2016 and \$1,028 in 2015 of investments held by bond trustees.

Investment income is recorded as revenue when earned. Net investment income is reported as non-operating revenue and includes income net of investment fees and the change in the fair value of marketable investments as well as losses on impaired investments. The calculation of realized gains

(losses) is independent of the calculation of the net increase in the fair value of marketable investments. Net investment income consists of:

Net Investment Income	FY16	FY15
Net interest, dividend, and other income	\$ 7,146	\$ 5,685
Realized gains	7,224	20,762
Unrealized losses	(19,792)	(20,426)
Investment management fees	(1,440)	(1,341)
TOTAL	\$ (6,862)	\$ 4,680

The University records its purchases and sales of investments on a trade date basis.

Investments measured at fair value for the years ended June 30, 2016 and 2015 are summarized on the following pages:

ANNUAL FINANCIAL REPORT 2016

Fiscal Year 2016	Level 1	Level 2	Level 3	Total Investments	Redemption or Liquidation	Days Notice
Investments at Fair Value:						
Equity Securities						
U.S. Equity	\$ 81,695	\$ -	\$ -	\$ 81,695	Daily to Monthly	1-30
Total Equity Securities	<u>81,695</u>	<u>-</u>	<u>-</u>	<u>81,695</u>		
Real Assets						
Private Real Assets	280	-	9,036	9,316	Illiquid	N/A
Total Real Assets	<u>280</u>	<u>-</u>	<u>9,036</u>	<u>9,316</u>		
Private Equity/Venture Capital						
Private Equity	-	-	1	1	Illiquid	N/A
Venture Capital	53	-	11,369	11,422	Illiquid	N/A
Secondaries	598	-	9,809	10,407	Illiquid	N/A
Distressed	49	-	1,374	1,423	Illiquid	N/A
Total Private Equity/Venture Capital	<u>700</u>	<u>-</u>	<u>22,553</u>	<u>23,253</u>		
Debt Securities	120	113,490	-	113,610	Daily to Monthly	1-30
Other Investments	240	-	685	925	Illiquid	N/A
Cash and Cash Equivalents	12,798	-	-	12,798	Daily	1
Total Investments at Fair Value	<u>\$ 95,833</u>	<u>\$ 113,490</u>	<u>\$ 32,274</u>	<u>\$ 241,597</u>		
Investments Measured at NAV:						
Equity Securities						
U.S. Equity				\$ 2,506	Daily to Monthly	1-30
Global Developed				56,983	Daily	1
Global Emerging				49,342	Daily to Quarterly	1-60
Total Equity Securities				<u>108,831</u>		
Marketable Alternative						
Absolute Return				83,102	Monthly to Illiquid	5-N/A
Hedged Equity				13,337	Quarterly	95
Total Marketable Alternative				<u>96,439</u>		
Real Assets						
Public Real Assets				25,968	Daily	1-N/A
Private Real Assets				24,296	Illiquid	N/A
Total Real Assets				<u>50,264</u>		
Private Equity/Venture Capital						
Private Equity				13,147	Illiquid	N/A
Venture Capital				6,762	Illiquid	N/A
Distressed				3,724	Illiquid	N/A
Total Private Equity/Venture Capital				<u>23,633</u>		
Debt Securities				39,627	Daily to Monthly	1-30
Total Investments Measured at NAV				<u>\$ 318,794</u>		
Total Investments				<u>\$ 560,391</u>		
Deposits With Trustees at Fair Value:						
Beneficial Interests in Trusts	\$ -	\$ -	\$ 7,631	\$ 7,631	Illiquid	N/A
Debt Securities	-	26,657	-	26,657	Daily	1
Cash and Cash Equivalents	67,899	-	-	67,899	Daily	1
Total Deposits With Trustees	<u>\$ 67,899</u>	<u>\$ 26,657</u>	<u>\$ 7,631</u>	<u>\$ 102,187</u>		

Investments measured at fair value for the year ended June 30, 2015 is summarized as follows:

ANNUAL FINANCIAL REPORT 2016

Fiscal Year 2015	Level 1	Level 2	Level 3	Total Investments	Redemption or Liquidation	Days Notice
Investments at Fair Value:						
Equity Securities						
U.S. Equity	\$ 86,310	\$ -	\$ -	\$ 86,310	Daily to Monthly	1-30
Global Developed	33,227	688	-	33,915	Daily	1
Global Emerging	-	369	-	369	Daily to Quarterly	1-60
Total Equity Securities	<u>119,537</u>	<u>1,057</u>	<u>-</u>	<u>120,594</u>		
Real Assets						
Private Real Assets	-	-	9,784	9,784	Illiquid	N/A
Total Real Assets	<u>-</u>	<u>-</u>	<u>9,784</u>	<u>9,784</u>		
Private Equity/Venture Capital						
Private Equity	-	-	4	4	Illiquid	N/A
Venture Capital	7,348	1,244	-	8,592	Illiquid	N/A
Secondaries	129	-	10,837	10,966	Illiquid	N/A
Distressed	328	37	3,529	3,894	Illiquid	N/A
Total Private Equity/Venture Capital	<u>7,805</u>	<u>1,281</u>	<u>14,370</u>	<u>23,456</u>		
Debt Securities	35,838	108,215	-	144,053	Daily to Monthly	1-30
Other Investments	236	-	933	1,169	Illiquid	N/A
Cash and Cash Equivalents	20,396	-	-	20,396	Daily	1
Total Investments at Fair Value	<u>\$ 183,812</u>	<u>\$ 110,553</u>	<u>\$ 25,087</u>	<u>\$ 319,452</u>		
Investments Measured at NAV:						
Equity Securities						
Global Developed				\$ 33,209	Daily	1
Global Emerging				50,541	Daily to Quarterly	1-60
Total Equity Securities				<u>83,750</u>		
Marketable Alternative						
Absolute Return				85,326	Monthly to Illiquid	5-N/A
Hedged Equity				14,355	Quarterly	95
Total Marketable Alternative				<u>99,681</u>		
Real Assets						
Public Real Assets				25,999	Daily	1-N/A
Private Real Assets				20,936	Illiquid	N/A
Total Real Assets				<u>46,935</u>		
Private Equity/Venture Capital						
Private Equity				12,761	Illiquid	N/A
Venture Capital				7,586	Illiquid	N/A
Distressed				1,292	Illiquid	N/A
Total Private Equity/Venture Capital				<u>21,639</u>		
Total Investments Measured at NAV				<u>\$ 252,005</u>		
Total Investments				<u>\$ 571,457</u>		
Deposits With Trustees at Fair Value:						
Beneficial Interests in Trusts	\$ -	\$ -	\$ 9,057	\$ 9,057	Illiquid	N/A
Debt Securities	-	867	-	867	Daily	1
Cash and Cash Equivalents	1,274	-	-	1,274	Daily	1
Total Deposits With Trustees	<u>\$ 1,274</u>	<u>\$ 867</u>	<u>\$ 9,057</u>	<u>\$ 11,198</u>		

The following is a description of the financial investment categories:

Global Equity – Investments are with managers who have a geographic focus, either the U.S., Developed ex U.S. Markets, or Emerging Markets. The program provides the portfolio exposure to common equities across the globe. The University has investments in commingled vehicles, mutual funds, and separate accounts.

Marketable Alternatives – This asset class includes hedge fund managers with the intention of reducing total portfolio volatility and providing diversification. The investments are in the following categories: multi-strategy, distressed securities, global macro, open mandate, and long/short equity in global markets.

Real Assets – This asset class includes investments focusing on publicly traded securities of oil, gas, and other natural resources affiliated companies and private real estate funds invested in various segments of the real estate market, including: office, industrial, multi-family, and

retail. The allocation also includes partnerships targeting oil and gas properties as well as other natural resources. Many of the private real asset investments are made via lock-up funds and are thus illiquid. Public real assets are publicly traded and are liquid.

Private Equity - This asset class includes investments focusing on non-publicly traded securities such as buyout funds, secondaries, and distressed debt.

Venture Capital - This asset class includes investments focusing on non-publicly traded securities.

Debt Securities – Investments consisting of U.S. Treasuries and high yield bonds. The allocation is liquid and designed to protect the portfolio in deflationary periods.

Other Investments – This asset class includes insurance policies where the University is named as the beneficiary.

H. Endowment and Other Long Term Funds

The University's investment policies are governed and authorized by the University Board of Trustees. The Board of Trustees Investment Subcommittee has established a formal policy for investment of the endowment and other long term funds with an objective to provide a stable and consistent level of ongoing support for the University's programs through a reasoned spending policy that is also consistent with preserving and enhancing the real purchasing power of the fund over time. The primary long-term investment goal is to attain a real total return that exceeds the amount being distributed for spending and administration, currently set at 4.75% of the previous 13 quarters' average market value. Other important investment objectives are to achieve annualized returns in excess of the strategic policy portfolio blended benchmark, measured over a full market cycle; and to outperform the median return of a pool of endowment funds with broadly similar investment objectives and policies.

The endowment in aggregate (which comprises the consolidated endowment and other separately invested assets), long term capital and operating reserves, and UVM Foundation assets are invested in a balanced portfolio consisting of traditional stocks (domestic and international) and bonds; marketable alternatives (hedge funds); non-marketable alternatives (venture capital and private equity); and a diversified portfolio of inflation-hedges (real estate and commodities). The asset allocation target and actual percentages at June 30 are presented in the following table.

	June 30, 2016		June 30, 2015	
	Target %	Actual %	Target %	Actual %
US Equity	19.0	18.6	20.0	19.3
Global Excluding US Equity	24.0	24.0	25.0	26.9
Marketable Alternatives	21.0	19.9	22.0	20.7
Real Estate/Inflation Hedges	13.0	13.5	12.0	10.5
Non-marketable Alternatives	13.0	10.7	11.0	8.9
Fixed Income	10.0	10.4	10.0	9.1
Cash & Cash Equivalents	0.0	2.9	0.0	4.6

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Investments

Endowment and similar investments including \$10,229 and \$10,534 of operating investments and \$29,218 and \$29,913 of capital investments at June 30, 2016 and 2015, respectively, are composed of the following:

	June 30, 2016	June 30, 2015
Cash	\$ 12,542	\$ 19,935
Money Market	1,341	1,297
Common Stock	80,393	82,575
U.S. Treasury Bonds and Notes	459	383
Other Government Bonds and Notes	346	176
Industry Bonds	2,934	3,048
Private Equity and Venture Partnerships	96,766	78,843
Life Estates	959	605
Hedge Funds	107,892	112,264
Mutual Funds	144,751	162,917
TOTAL	\$ 448,383	\$ 462,043

The fixed income portfolio is composed of two passive bond funds with the following risk profile at June 30, 2016 and three passive bond funds with the following risk profile at June 30, 2015:

			Credit Quality %					
2016	Average Duration Yrs.	Amount	Govt/ Agency	AAA	AA	A	BBB	<BBB
Passive Bond Funds	3.1	\$45,521	53	5	4	11	12	15

			Credit Quality %					
2015	Average Duration Yrs.	Amount	Govt/ Agency	AAA	AA	A	BBB	<BBB
Passive Bond Funds	10.7	\$39,769	78	2	1	5	5	9

The majority of endowment fund assets are pooled for investment purposes. Each individual fund subscribes to or disposes of units on the basis of the value per unit at fair value at the beginning of the month within which the transaction takes place. Income is distributed on a per unit basis. Of the total units (each having a fair value of \$58.40), 4,719,7360 units were owned by endowment funds and 2,785,9097 units by quasi endowment funds at June 30, 2016 (\$60.15, 4,661.6922 and 2,574.6163 respectively, at June 30, 2015).

Beginning in fiscal year 2013 the University of Vermont Foundation (UVMF) elected to participate in the UVM pooled endowment. The UVMF owned 670.8359 units with a market value of \$39,180 as of June 30, 2016 and 496.4301 units with a market value of \$29,858 as of June 30, 2015. The market value of UVMF's units is reported on the Statements of Net Position within unearned revenue, deposits, and funds held for others.

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) was passed by the State of Vermont effective May 5, 2009. UPMIFA broadens and clarifies the latitude of institutions to manage overall endowment returns, without specifically isolating those particular endowments, that because of timing of receipt of the gift and market conditions, are deemed underwater. Rather, the institution is expected to define an overall prudent approach both to distribution of funds for spending and long term preservation and growth of capital. The University will continue with its uniform endowment distribution practice, including distributions from endowments that are temporarily underwater in accordance with the statute. The Investment Subcommittee of the Board of Trustees reviews the income distribution rate annually.

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Notes to Financial Statements

The table below summarizes changes in relationships between cost and fair values of the pooled endowment:

	Fair Value	Cost	Net Return
June 30, 2016	\$ 438,362	\$ 369,994	\$ 68,368
June 30, 2015	435,229	361,363	73,866
Unrealized Net Loss			(5,498)
New Gifts and Transfers			12,935
Realized Net Gain			8,601
Net Income			2,031
Withdrawn for Spending			(14,936)
Total Net Change			\$ 3,133

	Fair Value	Cost	Net Return
June 30, 2015	\$ 435,229	\$ 361,363	\$ 73,866
June 30, 2014	433,354	340,123	93,231
Unrealized Net Loss			(19,365)
New Gifts and Transfers			14,565
Realized Net Gain			20,536
Net Income			107
Withdrawn for Spending			(13,968)
Total Net Change			\$ 1,875

With respect to the pooled endowment amounts previously reported for June 30, 2014 and June 30, 2015, the impact of the adoption of GASB 72, as it relates to an increase of fair value in private equity and venture partnerships, is not reflected. The amounts were not restated for the adoption of GASB 72 because these amounts are used to determine unit values for both allocation of earnings and for new purchases of pooled endowment units. In connection with the adoption of GASB 72, unit values were updated for the change in accounting policy in fiscal year 2016. Had the value of the private equity and venture partnerships been restated to reflect the fair value as of July 1, 2014 (effective date of the adoption), there would have been an increase of \$16m as of June 30, 2015. Refer to Note A for further discussion of the adoption of GASB 72.

i. Commitments

Major plant projects include commitments as follows:

Project	Estimated Project Cost	Project-to-Date Expenditures 2016	Project-to-Date Expenditures 2015
	STEM Project	104,000	43,746
Central Plant Chiller Expansion	11,800	3,602	356
Alumni House Project	10,000	6,929	446
First Year Student Housing and Dining	70,000	23,634	390

The University has entered into operating leases for space, which expire at various dates through fiscal 2022.

Outstanding commitments for these leases are expected to be paid in the following years ending June 30:

For the Fiscal Year Ending June 30	Rental Payments Due
2017	\$ 4,008
2018	1,297
2019	1,097
2020	221
2021	149
Total	\$ 6,772

Operating lease expenses totaled \$3,267 and \$2,002 in 2016 and 2015, respectively.

The University is obligated under certain of its investments to make future capital contributions in the amount of \$46,067 as of June 30, 2016.

The University entered into agreements with the State of Vermont Department of Vermont Health Access in both 2016 and 2015, to make payments to support the Graduate Medical Education (GME) program. The GME program helps ensure access to quality and essential professional health services for Medicaid beneficiaries through the care provided by teaching physicians and teaching hospitals. The University uses general fund state appropriation dollars to fund the GME payments through an inter-governmental transfer to the State. GME payments totaling \$13,492 and \$13,055 were made in 2016 and 2015, respectively, and are recorded on the Statements of Revenues, Expenses, and Changes in Net Position under Intergovernmental transfers in the Non-operating revenues and expenses section. For 2017, based on the three-year agreement entered into on August 26, 2014, the University will make quarterly payments to the State of Vermont Department of Vermont Health Access totaling \$13,704.

The University is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters and business interruption. The University manages these risks through a combination of self-insurance and commercial insurance purchased in the name of the University. The University's annual self-insured obligation for general liability is \$500 per occurrence and \$25 per occurrence for automobile liability. Its assumption of risk for property losses is \$250 per occurrence. Educator's legal liability risks are subject to a \$250 per loss retention. Worker's compensation is subject to a \$650 per occurrence retention. None of these lines of coverage have an annual self-insured aggregate, or stop-gap. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The University elected, effective July 1, 2003, to become a shareholder and member of Genesis Limited, an insurance and reinsurance captive organization domiciled in Bermuda. A Vermont captive, Pinnacle Consortium of Higher Education, was formed in fiscal 2005 as a fronting insurer to Genesis. On December 31, 2015, Genesis dissolved and merged its assets and liabilities into Pinnacle, to improve efficiencies and reduce operating costs. The captives consist of two insurance lines, general liability and automobile liability. All members are required to participate in the captive general liability program which provides \$2 excess limit, written by Pinnacle effective 7/1/05, and the group purchase liability program that provides a \$23 excess limit. The University has purchased an additional \$75 from the commercial insurance market to bring the total excess limit to \$100.

The University follows the policy of self-insuring risks up to certain limits. At year end, the University had open claims valued at \$2,656 in 2016 and \$3,336 in 2015; \$204 and \$169 of this is covered by excess insurance in 2016 and 2015, respectively. The University paid claims of \$2,787 in 2016 and \$2,272 in 2015. Reserves for property and casualty liabilities are included in accrued liabilities (including incurred but not reported) in the amount of \$6,808 at June 30, 2016 and \$8,211 at June 30, 2015.

In conducting its activities, the University from time to time is the subject of various claims and also has claims against others. The ultimate resolution of such claims is not expected to have a material adverse or

favorable effect on the financial position, operating performance or cash flows of the University.

Three groups of University employees are represented by collective bargaining units. The University participates in contract negotiations with these groups periodically.

The University receives significant financial assistance from federal and state agencies in the form of grants and contracts. Expenditures of funds under these programs require compliance with the grant agreements and are subject to audit. Any disallowed expenditures resulting from such audits become a liability of the University. In the opinion of management such adjustments, if any, are not expected to materially affect the financial condition, operating performance or cash flows of the University.

J. Service Concession Arrangements

On July 1, 2015, the University entered into an agreement (the "Agreement") with a third party under which the third party would operate the University's Food Services and collect revenues generated from resident and non-resident meal plans, as well as sales of food, beverages, goods, merchandise and services. The contract term is five years with an option to extend for an additional five years if mutually agreed. The third party will use University facilities to provide this service and will pay the University a guaranteed minimum annual commission; the present value of these guaranteed amounts is estimated to be \$10,840. The third party will also pay UVM a percentage of net sales. The third party is required to operate the University's Food Service and facilities in accordance with the Agreement. The third party has also agreed to fund capital improvements to the University's premises, valued at \$1,828 in FY16 and additional amounts in future fiscal years. The University is reporting the facilities used to provide the food service as a capital asset at book value. The University is reporting a receivable, liability and deferred inflow of resources at year-end pursuant to the service concession arrangement in the amounts of \$10,840 million, (\$1,828), and (\$9,012), respectively. The deferred inflow will be recognized as revenue ratably over the term of the Agreement.

K. Retirement Plans

Faculty and staff at the University of Vermont may participate in the University's 403(b) defined contribution plan and a 457(b) deferred compensation plan provided the following criteria are met:

- faculty and staff must have a full-time equivalency of .75 or greater;
- staff must be employed three years before they qualify for University contributions to their retirement plan, or they must have a vested interest in the retirement plan of their previous nonprofit employer;
- non tenure-track faculty and faculty under the rank of assistant professor must wait two years to qualify for University contributions to their retirement plan, or they must have a vested interest in the retirement plan of their previous nonprofit employer;
- officers of administration or tenure track faculty at the level of assistant professor or above receive University contributions to their retirement plan immediately upon enrolling in the plan.

To obtain University contributions, faculty members and officers of administration must contribute 3% of their salary, and staff must contribute 2%. The University's contribution to the retirement fund of qualified faculty and staff is 10% of salary and this amount is immediately vested.

The University also offers a 457(b) deferred compensation plan. Faculty and staff can participate provided they are participating in the 403(b) plan. The University makes no contributions to this plan.

The University's 403(b) and 457(b) contributory retirement plans are administered by the Teachers Insurance Annuity Association of America (TIAA), the College Retirement Equities Fund (CREF), Prudential Financial Services, and Fidelity Investments. The University's policy is to accrue the costs of these defined contribution plans currently.

Since both faculty and staff are immediately vested in all retirement contributions made on their behalf, the University has no control of, responsibility for, or ownership of retirement funds, except that employees may not withdraw funds contributed to either their 403(b) or 457(b) plan while employed at the University. Retirement funds may be transferred among the investment alternatives at the discretion of the employee.

Upon leaving the University, employees may either withdraw funds from their accounts, or transfer the funds to other investment alternatives subject to the limitations of 403(b) and/or 457(b) regulations and the contractual provisions of their investment alternative.

For the years ended June 30, 2016 and 2015, the University had total payroll expense of \$276,680 and \$272,655, respectively, of which \$198,658 in 2016 and \$196,996 in 2015 was covered by the University's 403(b) retirement plan. Total employee and employer contributions for 403(b) pension benefits for the year were \$17,176 and \$19,866, respectively, for 2016 and \$16,957 and \$19,700, respectively, for 2015. The University's contribution for 403(b) pension benefits is 10% of the covered payroll. Total employee contributions to the 457(b) retirement plan were \$3,596 in fiscal year 2016 and \$3,588 in fiscal year 2015.

1. Postemployment Benefits

The University is required to account for its postemployment benefit plan in accordance with GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement 45 prescribes a methodology which requires the employer to recognize an expense for the value of benefits earned during the current year by active employees (i.e. the normal cost) plus an amortization of the unfunded portion of the value of the plan benefits earned to date by active and retired employees (i.e., the actuarial accrued liability). GASB Statement 45 also introduces the concept of an employer's net postemployment benefit obligation, which is defined as the cumulative difference between the employer's annual postemployment benefit expense and its cash cost for the plan.

The University's postemployment benefit plan covers medical, (base) dental, life insurance and tuition remission benefits provided to eligible University retirees and their dependents. The plan was established under the authority of and may be amended by the University. It is a single employer plan administered by the University.

Plan provisions include two levels of eligibility based on whether the employee was at least 65 years of age at June 30, 2014:

- 1) Pre-65 retirees that met the retirement benefit eligibility criteria that were in place at the time of his or her hire date, and retired on or before June 30, 2014, will receive the post-retirement medical benefit and premium contributions will remain unchanged. For employees hired before January 1, 2012, if the employee met the retirement eligibility criteria that were in place at the time of his or her hire date, and did not retire on or before June 30, 2014, then he or she is eligible for the benefit but his or her share of the premium contribution will change based on the employee's salary at the date of retirement. If, by June 30, 2014, the employee has not met the eligibility criteria that were in place at the time of his or her hire date, then he or she will be eligible to enroll in the pre-65 post-retirement medical benefit plan, but will be responsible for 100% of the premium unless the employee has at least fifteen years of service in which case, at the age of 62, the employee will be eligible for the pre-retirement medical benefit and will pay 50% of the premium for Non-United Academic employees, and 60% of the premium for United Academic employees. Employees hired on or after January 1, 2012 will be able to participate in the post-retirement medical plan but they will be responsible for 100% of the premium.

2) Post-65 retirees that met the retirement benefit eligibility criteria that were in place at the time of his or her hire date, and retired on or before June 30, 2014, will receive the post-retirement medical benefit and premium contributions will remain unchanged. Employees hired before January 1, 2012 who do not retire by June 30, 2014 will be eligible for the post-65 benefit when they reach the age of 65 and have 15 years of service, but the premium will change based on the employee's salary at the date of retirement. Employees hired on or after January 1, 2012 will be able to participate in the post-retirement medical plan but they will be responsible for 100% of the premium.

Employees who retired under the Voluntary Separation Plan of 1992 or before are not required to contribute to the plan, however, a surviving spouse receives two (2) years of medical and base dental coverage without charge, after which dental terminates (the surviving spouse would be eligible for 36 month of COBRA) and medical coverage is available at 50% of the cost of providing coverage. Retirees under the Voluntary Separation Plan of 2000 pay for their medical benefits based on the contribution system in effect prior to June 30, 2000 (based on 0.5% times 75% of the average final three years' base salary). Retirees hired after June 30, 1992 have the same salary band contribution percentages as active employees, which is based on 75% of their average final three years' base salary. Retirees hired after June 30, 1992 and before July 1, 1997 are required to contribute as above plus a percentage based on the sum of their age at retirement and their years of continuous full time service. This surcharge is based on a scale that ranges from 65 to 75 and over. A retirement benefit structure was announced in December 2011, affecting employees retiring on or after June 30, 2015. Consideration is given to age and years of service, with employee participation in medical benefit coverage and the costs associated with that coverage.

As of January 1, 2015, there were 3,614 active employees, with an average age of 48.4 years and average credited service of 11.7 years, and 2,448 retirees and beneficiaries included in the census data used in the actuarial calculations.

Actuarial calculations reflect a long term perspective, involve estimates about the probability of events and are subject to continual revision. The calculations were developed using certain actuarial assumptions and methods. The assumptions include an investment return of 5.15%, termination rates based on historical experience, a weighted average retirement age of 64, inflation rate of 2.5%, and annual salary rate increases of 3.0%. The valuation utilizes the

RP-2014 Healthy Annuitant/Employee Mortality tables adjusted to reflect Scale MP-2015 from the 2006 base year and projected forward using Scale MP-2015 on a generational basis. The methods include the projected unit credit actuarial cost method and a 30-year amortization of the plan's initial unfunded liability on a closed, level dollar basis. Additionally, each year's plan changes, assumption changes, actuarial gains and losses, and contribution excesses/deficiencies are amortized over separate closed periods of 30 years on a level dollar basis. Health care cost inflation is assumed to be 6.6% / 8.2% in 2016 for pre-Medicare/Medicare medical coverage and gradually decrease to 4.50% going forward. Dental trend is assumed to be 5.0% in all years.

The actuarial accrued liability at the measurement date of July 1, 2015 was \$438,628. There are no assets specifically funding the liability as the University's contributions are comprised entirely of direct payments for benefits. Employer contributions for fiscal year ended June 30, 2016 totaled \$12,249 (\$12,867 in 2015), or 27.3% (38.4% in 2015) of annual other postemployment benefit (OPEB) cost. The annual required contribution (ARC) of \$48,093 for fiscal year 2016 is the sum of \$15,542, the normal cost at July 1, 2015 plus interest, the 2016 amortization of the initial UAAL of \$21,555, the amortization of contribution deficiencies of \$11,925, and the amortization of plan experience of (\$929). The ARC of \$36,250 for fiscal year 2015 is the sum of \$11,838 the normal cost at July 1, 2014 plus interest, the 2015 amortization of the initial UAAL of \$21,555, the amortization of contribution deficiencies of \$10,378, and the amortization of plan experience of (\$7,521).

Total annual OPEB costs and liabilities for the 2016 and 2015 fiscal years include the following components:

	June 30, 2016	June 30, 2015
Annual required contribution	\$ 48,093	\$ 36,250
Interest on net OPEB obligation	8,739	7,675
ARC adjustment	(11,925)	(10,378)
Annual OPEB cost	44,907	33,547
Contributions during FY	(12,248)	(12,868)
Increase in net OPEB obligation	32,659	20,679
Net OPEB obligation, beginning of year	169,697	149,018
Net OPEB obligation, end of year	\$ 202,356	\$ 169,697

In accordance with GASB Technical Bulletin 2006-1, assumed health care costs do not reflect any expected federal reimbursements to the University under the Medicare Part D Program.

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Operating Expenses

M. Operating Expenses by Function

Operating expenses by functional classification for the years ended June 30, 2016 and 2015 are summarized as follows:

Year ended June 30, 2016					
Function	Compensation And Benefits	Supplies And Services	Scholarships And Fellowships	Depreciation	Total
Instruction	\$ 153,593	\$ 20,859	\$ -	\$ -	\$ 174,452
Research	58,828	27,276			86,104
Public service	45,238	15,887			61,125
Academic support	46,158	15,628			61,786
Student services	27,446	17,256			44,702
Institutional support	30,924	6,003			36,927
Operations and maintenance of plant	23,796	23,110			46,906
Scholarships and fellowships			16,002		16,002
Auxiliary enterprises	33,815	45,700			79,515
Depreciation				26,422	26,422
TOTAL	\$ 419,798	\$ 171,719	\$ 16,002	\$ 26,422	\$ 633,941

Year ended June 30, 2015					
Function	Compensation And Benefits	Supplies And Services	Scholarships And Fellowships	Depreciation	Total
Instruction	\$ 144,236	\$ 22,226	\$ -	\$ -	\$ 166,462
Research	56,033	28,572			84,605
Public service	43,378	12,924			56,302
Academic support	43,431	15,520			58,951
Student services	25,808	14,325			40,133
Institutional support	30,640	9,906			40,546
Operations and maintenance of plant	22,579	23,378			45,957
Scholarships and fellowships			16,405		16,405
Auxiliary enterprises	32,269	43,183			75,452
Depreciation				26,596	26,596
TOTAL	\$ 398,374	\$ 170,034	\$ 16,405	\$ 26,596	\$ 611,409

Information

N. Pollution Remediation Obligations

The University is required to account for its pollution remediation activities in accordance with GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. GASB 49 requires the University to accrue estimated costs to conduct pollution remediation activities if certain obligating events have occurred. It also requires the University to expense pollution remediation costs which cannot be capitalized. The University incurred and expensed pollution remediation costs of \$331 and \$2,646 in fiscal 2016 and fiscal 2015, respectively.

Also, in fiscal 2016, the University commenced certain renovation projects that included the need for asbestos and lead paint removal. These projects are not expected to be completed until after fiscal 2016 and therefore fiscal 2016 supplies and services expense and current accrued liabilities include \$2,090 (\$2,210 in fiscal 2015) for the expected remediation portion of these projects. The accrual is based on management's estimate of expected outlays. There are no recoveries associated with these projects.

O. Subsequent Events

GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance* Contained in AICPA Statements of Auditing Standards, provides guidance for disclosure of events or transactions that occur subsequent to the Statements of Net Position date but prior to the issuance of the financial statements. The statement specifically refers to the issuance of bonds as an event that requires disclosure in the footnotes. On July 28, 2016 the University issued \$68,870 of Series 2016 General Obligation Bonds. The proceeds from the bonds will be used to refund the remaining portion of the 2005 General Obligation Bonds and partially refund a portion of the 2007 General Obligation Bonds. The University incurred a deferred loss of \$1,083 on the refunding of the 2005 General Obligation Bonds and \$1,684 on the partial refunding of the 2007 General Obligation Bond.

Financial Statements

Required Supplementary Information - Postemployment Benefits

Schedule of Employer Contributions

Fiscal Year Ended	Annual OPEB	Actual	Percentage of
June 30	Cost	Contributions	Annual OPEB Cost
			Contributed
2016	\$44,907	\$ 12,248	27.3%
2015	\$33,547	\$ 12,868	38.4%
2014	\$31,985	\$ 10,517	32.8%

Schedule of Funding Progress

Actuarial	Actuarial Value	Actuarial Accrued	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a
Valuation Date	of Assets	Liability (AAL)	(UAAL)			Percentage of
						Covered Payroll
1/1/2015	\$ -	\$ 438,628	\$ 438,628	0.0%	\$219,449	199.8%
1/1/2013	\$ -	\$ 307,028	\$ 307,028	0.0%	\$211,849	144.9%
1/1/2011	\$ -	\$ 306,453	\$ 306,453	0.0%	\$208,900	146.7%

Net OPEB Obligation (NOO)

Fiscal Year Ended	Annual	Interest on	ARC Adjustment	Annual	Actual	Net Increase
June 30	Required	Existing NOO		OPEB Cost	Contribution	in NOO
	Contribution				Amount	
2016	\$48,093	\$ 8,739	\$ (11,925)	\$ 44,907	\$ 12,248	\$ 32,659
2015	\$36,250	\$ 7,675	\$ (10,378)	\$ 33,547	\$ 12,868	\$ 20,679
2014	\$34,226	\$ 6,568	\$ (8,809)	\$ 31,985	\$ 10,517	\$ 21,468



The University of Vermont

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Committees:

Committee on Board Governance; Educational Policy & Institutional Resources Committee; Multipurpose Events Center Work Group; University of Vermont Board



Aronoff, David B.
Self-Perpetuating Trustee
Term: March 2022

Committees:

Budget, Finance & Investment Committee; Investment Subcommittee; University of Vermont Board



Barnhart, Cynthia
Self-Perpetuating Trustee
Term: March 2020

Committees:

ad hoc Labor Advisory Group; ad hoc Presidential Comprehensive Review Committee; Annual Review Subcommittee; Educational Policy & Institutional Resources Committee; University of Vermont Board



Bartholomew, John L.
Legislative Trustee
Term: March 2023

Committees:

Budget, Finance & Investment Committee; Vermont Agricultural College Board



Brennan, Robert P., Jr.
Self-Perpetuating Trustee
Term: March 2018

Committees:

Bond Work Group (leader); Budget, Finance & Investment Committee (vice chair); Committee on Board Governance; Investment Subcommittee (chair); University of Vermont Board



Cioffi, Frank J.
Gubernatorial Trustee
Term: March 2023

Committees:

ad hoc Presidential Comprehensive Review Committee; Annual Review Subcommittee; Committee on Board Governance (chair); Educational Policy & Institutional Resources Committee; Executive Committee; Multipurpose Events Center Work Group; Presidential Housing Work Group



Daigle, David A. (Chair)
Self-Perpetuating Trustee
Term: March 2022

Committees:

ad hoc Labor Advisory Group; ad hoc Presidential Comprehensive Review Committee (chair); Annual Review Subcommittee (chair); Executive Committee (chair); Investment Subcommittee; Presidential Housing Work Group (leader); University of Vermont Board; Work Group on Medical, Nursing and Health Sciences Education and Research



Donovan, Johannah Leddy
Legislative Trustee
Term: March 2023

Committees:

Budget, Finance & Investment Committee; Presidential Housing Work Group; Vermont Agricultural College Board

Dwyer, Carolyn K.
Gubernatorial Trustee
Term: March 2019



Committees:

ad hoc Labor Advisory Group (leader); Committee on Board Governance; Educational Policy & Institutional Resources Committee (vice chair)



Gamelli, Richard L.
Self-Perpetuating Trustee
Term: March 2018

Committees:

Educational Policy & Institutional Resources Committee; University of Vermont Board (secretary); UVM/UVMC Joint Strategic Planning Group; Work Group on Medical, Nursing and Health Sciences Education and Research (leader)



Juskiewicz, Bernard C.
Legislative Trustee
Term: March 2021

Committees:

Audit Committee (chair); Bond Work Group; Budget, Finance & Investment Committee; Executive Committee; Vermont Agricultural College Board



Lumbra, Ron E. (Vice Chair)
Self-Perpetuating Trustee
Term: March 2020

Committees:

ad hoc Presidential Comprehensive Review Committee (vice chair); Annual Review Subcommittee (vice chair); Audit Committee; Budget, Finance & Investment Committee; Committee on Board Governance (vice chair); Executive Committee (vice chair); University of Vermont Board (vice chair)

McCormack, Curt
Legislative Trustee
Term: March 2021



Committees:

Audit Committee; Educational Policy & Institutional Resources Committee; Vermont Agricultural College Board (secretary)



McCree, Donald H.
Self-Perpetuating Trustee
Term: March 2020

Committees:

Bond Work Group; Budget, Finance & Investment Committee (chair); Executive Committee; Investment Subcommittee (vice chair); University of Vermont Board



McHugh, Caitlin
Student Trustee
Term: March 2019

Committees:

Audit Committee; Educational Policy & Institutional Resources Committee; Multipurpose Events Center Work Group



O'Brien, Anne T.
Legislative Trustee
Term: March 2019

Committees:

Educational Policy & Institutional Resources Committee; Vermont Agricultural College Board (vice chair); Work Group on Medical, Nursing and Health Sciences Education and Research

Pagano, Ed
Gubernatorial Trustee
Term: March 2021



Committees:

ad hoc Presidential Comprehensive Review Committee; Annual Review Subcommittee; Audit Committee; Budget, Finance & Investment Committee; Multipurpose Events Center Work Group (leader)



Scott, Phil

Term: *ex officio*



Smith, Shapleigh, Jr.

Legislative Trustee

Term: March 2023

Committees:

Audit Committee; Educational Policy & Institutional Resources Committee; Multipurpose Events Center Work Group; Vermont Agricultural College Board



Sullivan, Thomas (President)

Term: *ex officio*

Committees:

ad hoc Labor Advisory Group; Budget, Finance & Investment Committee; Committee on Board Governance; Educational Policy & Institutional Resources Committee; Executive Committee; Work Group on Medical, Nursing and Health Sciences Education and Research

Sweaney, Donna (Secretary)

Legislative Trustee

Term: March 2019

Committees:

ad hoc Labor Advisory Group; ad hoc Presidential Comprehensive Review Committee; Annual Review Subcommittee; Committee on Board Governance;



Educational Policy & Institutional Resources Committee (chair); Executive Committee; Vermont Agricultural College Board



Thura, Soraiva
Student Trustee
Term: March 2018

Committees:

ad hoc Presidential Comprehensive Review Committee; Annual Review Subcommittee; Budget, Finance & Investment Committee; Committee on Board Governance



Toleno, Tristan D.
Legislative Trustee
Term: March 2021

Committees:

Educational Policy & Institutional Resources Committee; Presidential Housing Work Group; Vermont Agricultural College Board (chair)



Ventriss, Lisa M.
Self-Perpetuating Trustee
Term: March 2018

Committees:

Budget, Finance & Investment Committee; Committee on Board Governance; Multipurpose Events Center Work Group; University of Vermont Board (chair); UVM/UVMC Joint Strategic Planning Group; Work Group on Medical, Nursing and Health Sciences Education and Research;

Wilson, Jeff
Legislative Trustee
Term: March 2019



Committees:

ad hoc Labor Advisory Group; Audit Committee (vice chair); Educational Policy & Institutional Resources Committee; Vermont Agricultural College Board

Last modified April 11 2017 10:49 AM

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- [University Communications](#)

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- [Chair's Reports to Board](#)

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- [Office of the President](#)
- [Office of the Provost](#)
- [UVM Faculty Senate](#)
- [UVM Organizational Chart](#)

Laurence S. Robert
160 Allen Road East
South Burlington, Vermont 05403
(802) 310-7389 Laurence.robert@its.uvm.edu

OBJECTIVE:

Provide exceptional healthcare technology management within a highly regarded health system.

MANAGEMENT EXPERIENCE:

BIOMEDICAL SERVICES SUPERVISOR

12/2013-Present

Technical Services Partnership, The University of Vermont

Responsible for the management, support and supervision of member hospital contracts providing comprehensive healthcare technology management services. Ensure that staff are empowered to deliver exemplary level of service to hospitals, clinics and area doctor's offices. Lead group to develop Policies/Processes/Procedures to provide guidance with daily operations. Applied progressive disciplinary actions as needed.

SYSTEMS ANALYST

04/2012 – 11/2013

Baycare Health System, Clearwater, Florida

Lead group of two analysts to assign, configure, and build Cerner iBUS interfaces between medical devices and electronic medical records, added 400 devices to the system. Provided remote and onsite support for over 1500 devices for the hospital system. Escalated repairs as needed to ensure a high quality of care. Performed Root Cause Analysis; training for end users; and system optimization by device name selection, server load balancing and data recovery. Provided support and maintenance as subject matter expert for Fetalink, Powerchart and Anesthesia.

TEAM LEAD

10/2008 – 04/2012

Baycare Health System, Clearwater, Florida

Lead a group of 7 technicians providing outstanding customer service, producing significant cost savings, and assuring PM program completion of >98% non-life support and 100% life support; maintain average repair time of less than 7days; created professional development plans for technicians; assigned work as needed; performed cost analysis; and qualified vendors. Performed contract negotiations; vendor management; conduct incident investigations; justified training for team members; administer database management; inventory disposition and integrity; new device inclusions and evaluations. Membership on; Code Blue, Equipment Qualification, and EOC committees; developed procedures and interpret hospital system policies. Supported tasks resulting from JCAHO, AABB, FDA and CAP requirements. Recommended course of action for addressing personnel issues. Knowledge resource for team members. Developed Self Directed Work Team. Areas of expertise include: laboratory; integrated patient monitoring; troubleshooting complex systems. Assisted with startup and continued support of electronic medical records on the medical device side.

PRINCIPAL

08/2007-05/2008

Schiller International School, Naples, Florida

Developed school atmosphere at a start-up private school for high competition multi-aged international tennis players. Developed policies and procedures for record keeping, grade reports and inventory control. Lead an efficient multi-disciplined faculty. Adhered to accreditation standards by producing regular communication products for students, faculty and parents. Instructed five science classes, including anatomy and physiology; developed curriculum and evaluated student performance.

ELECTRONICS INSTRUCTOR

08/2000-06/2007

Green Mountain Technology and Career Center, Hyde Park, Vermont

Specified, designed, procured material for and implemented a technical education program in electronics which introduced engineering skills to prospective students according to the Vermont Framework of Standards. Introduced AC/DC circuits, logic gates, semiconductors, linear electronic circuits, and microprocessor-based systems. Developed problem solving, troubleshooting, circuit assembly and life skills for each student at different paces through hands on projects. Developed working relationships with area electronics related employers. Lead the development of the first FCC licensed radio station in a Vermont High School from conception through construction, talent recruitment and daily operation.

ADJUNCT FACULTY, MATHEMATICS INSTRUCTOR

08/2001- 06/2007

Vermont State Colleges; Community College of Vermont

Developed instructional material and lectured in foundation mathematics and college level Algebra and Statistics. Provided an atmosphere where students were encouraged to succeed. Advised students on course selection and registration. Selected twice to participate on college-wide committees pertaining to technology usage and critical thinking. Developed course content for hybrid environment.

PRODUCT MANAGER

02/1995-07/2000

Bio-Tek Instruments, Winooski, Vermont

Conceptualized, specified, developed and promoted biomedical engineering instrumentation for the hospital marketplace under ISO 9001 standards. Trained engineers and sales personnel on usage and sales techniques for medical instrumentation. Lectured at conferences for biomedical engineers and technicians on medical instrumentation technologies and safety standards. Performed informal instruction on biomedical engineering concepts to company employees. Assisted US manufacturers with the interpretation of international electrical safety standards. Chaired a monthly cross-departmental advisory committee meeting on product quality and performance; assigned tasks to members according to area of expertise. Conducted investigations into customer complaints related to product use; recommended device improvements according to investigation findings. Developed working relationships with leading medical manufacturers Worldwide. Evaluated new medical instrumentation technology for effectiveness and viability as a profitable product.

BIOMEDICAL EQUIPMENT TECHNICIAN

06/1993-02/1995

Technical Services Program, University of Vermont, Burlington, Vermont

Conducted functional testing, repairs and incoming inspection on general biomedical equipment according to JCAHO and manufacturers standards for hospitals in Vermont, Upstate New York and New Hampshire. Trained hospital staff on safe and proper use of medical devices. Assisted Clinical Engineer with incident investigations and research projects. Assisted other biomedical technicians with repairs and other duties.

EDUCATION:

Vermont State College, Randolph, Vermont

08/2002

TEACHER LICENSING, graduate coursework in teaching methods, classroom management and student evaluation.

University of Vermont, Burlington, Vermont

12/1994

BS Electrical Engineering; Biomedical Option.

An engineering degree with an emphasis on the life sciences. Coursework included: Physiology/Biophysics, Organic Chemistry, and Biomechanics.

PROFESSIONAL MEMBERSHIPS:

IEEE: General membership 2001-2007

BAAMI: Office of President 2009-2012

Local chapter of AAMI Biomedical Society. Successfully increased membership by 200%.

Developed brochure to promote the chapter. Increased revenue by 50%.

HIMSS: General membership 2012

ACHE: General membership 2014

PRESENTATIONS:

AAMI Annual Conference, 1997; Workplace Efficiency Increased Through Information Technology

AAMI Annual Conference, 1998; Introduction to Otis for Windows Automated Testing Software

CBME Annual Conference, 1998; International Electrical Safety Standards for Medical Devices

National Seminar Tour, 2000; Introduction to Ventilator Testing, Tools and Techniques

SKILLS: Leadership, Presentations, Creativity and Project Management

48 William Gage Road
Plainfield, NH. 03781
Ph 603-448-4970

Arthur J. Remmes

Education

1990-1992 Northeastern Network Training
1972-1974 Northeast Institute of Industrial Technology

Awards Received

Top Sales Supporter Eastern Region 1991
Northeastern Region Cardiology Business Unit Support Professional of the Year 1989
Dunebox Most Valuable Player award for installation, testing and support

Work Experience

2009 – Present
Biomedical Engineer
University of Vermont / Technical Services Partnership
280 East Avenue Suite 2
Burlington, VT 05401

2008 – 2009
Field Support Engineer.
Zonare Medical Systems, Inc.
480 Bernardo Ave.
Mountain View, CA 94043

2005 – 2008
Biomedical Engineer
Mary Hitchcock Memorial Hospital
One Medical Center Drive
Lebanon, NH 03756

2001 - 2004
Technical Support Engineer
Philips Medical Systems
3000 Minuteman Road
Andover, MA 01840

1974 - 2001
Senior Customer Service Engineer
Hewlett Packard Company
3000 Minuteman Road
Andover, MA 01840

48 William Gage Road
Plainfield, NH. 03781
Ph 603-448-4970

University of Vermont / Technical Services Partnership

Manager Larry Robert 802-656-4161

Manage Biomedical Program at three Upper Valley Hospitals

- Perform scheduled functional testing
- Do repairs on equipment and order parts as needed
- Maintain database for repairs and functional test
- Incoming inspection and database entry

Zonare Medical Systems, Inc.

Manager Scott Williams (650) 230-2800

Regional Support Engineer

- Provided phone support to customers
- Traveled on site for equipment repairs
- Log bug reports

Mary Hitchcock Memorial Hospital

Manager Ken Lee 603-650-5000

Biomedical Engineer supporting Ultrasound and various other medical equipment

- Perform scheduled functional testing
- Do repairs on equipment and order parts as needed
- Maintain database for repairs and functional test
- Incoming inspection and database entry

Philips Medical Systems

Manager Marlene Mesarosh (678)366-6616

Technical Support Engineer for Field Support Engineers (FSE) supporting Ultrasound products

- Customer Support/Screening
- Provide telephone triage to resolve problem or notify FSE of customer's need
- Problem Site Management
- Recommend solutions to FSE
- Keep upper management informed of site status and progress
- Parts look up
- Provide part data for FSE

Hewlett Packard Company

Manager Bill Brennan

Hired for position of technician for test and integration of ECG management and Cath Lab systems. Was promoted to Customer Service Engineer to support Ultrasound customers in Maine, New Hampshire, Vermont and Northern Massachusetts.

- Maintained a high level of customer satisfaction while continuing to manage inventory and contract base.
- Received compliments on communication skills and ability to manage time, adapt to new processes and procedures.
- Involved in setting up Quest screening calls for the district, qualifying customers for contract/warranty or trade status
- Extension to Atlanta response center assisted customers over the phone and assisting Customer Engineers with troubleshooting and providing part numbers required for repairs

48 William Gage Road
Plainfield, NH. 03781
Ph 603-448-4970

Qualifications/Training Certified Biomedical Equipment Technician 2015
Technical Expert on HP SONOS Systems (Cardiac Ultrasound)
Service trained for ATL HDI Imaging products
3000
3500
4000
5000
Windows NT Product Specialist

Computer Skills Intermediate level

- Word
- Excel
- Power Point
- Lotus Notes
- Outlook

SAP
Hospital Equipment Management System
PeopleSoft

References Larry Robert – Biomedical Engineering Supervisor 802-656-4161
280 East Avenue Suite 2
Burlington, VT 05401

Jonathon Stark- Associate Vice President, Plant Operations 603-443-9592
10 Alice Peck Drive
Lebanon, NH 03766

Mike Malizia - 617-776-0308
10 Ten Hills Rd.
Sommerville, MA.

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Laurence Robert	Biomedical Supervisor	\$77845.60	1%	778.45
Arthur Remmes	Biomedical Equipment Technician	\$66129.01	1%	661.29



STATE OF NEW HAMPSHIRE
 DEPARTMENT OF HEALTH AND HUMAN SERVICES
 OFFICE OF BUSINESS OPERATIONS
 BUREAU OF CONTRACTS & PROCUREMENT

Nicholas A. Toumpas
 Commissioner

Eric D. Borrin
 Director

129 PLEASANT STREET, CONCORD, NH 03301-3857
 603-271-9558 1-800-852-3345 Ext. 9558
 Fax: 603-271-8431 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

March 10, 2015

NH Department of Justice
 Office of the Attorney General
 33 Capitol Street
 Concord, NH 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, New Hampshire Hospital to enter into an agreement with the University of Vermont and State Agricultural College (Vendor # 160344), 280 East Avenue, Suite 2, Burlington, VT 05401-3437, to provide inspections, testing, maintenance and repairs to clinical equipment located at the New Hampshire Hospital in an amount not to exceed \$16,725, effective upon the approval of the Office of the Attorney General, through June 30, 2017. The source of Funding is 29% Federal Funds, 66% General Funds and 5% Other Funds.

Funds are available in State Fiscal Year 2015 and are anticipated to be available in the following account in State Fiscal Year 2016 and State Fiscal Year 2017 upon the availability and continued appropriation of funds in the future operating budget with the ability to adjust encumbrances between State Fiscal Years, through the Budget office if needed and justified.

05-095-940010-84100000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: NEW HAMPSHIRE HOSPITAL, NEW HAMPSHIRE HOSPITAL, NHH - FACILITY/PATIENT SUPPORT

SFY	Class	Title	Activity Code	Budget
2015	024-500225	Contract Repairs, Equipment	94050130	\$3,345
2016	024-500225	Contract Repairs, Equipment	94050130	\$6,690
2017	024-500225	Contract Repairs, Equipment	94050130	\$6,690
			Total:	\$16,725

EXPLANATION

The purpose of this agreement is to provide inspections, testing, maintenance and repairs to the clinical equipment located at New Hampshire Hospital. These services provide for efficient usage and safety compliance of more than one hundred and twenty-five (125) pieces of clinical equipment in accordance with the Joint Commission Standards.

New Hampshire Hospital operates approximately one hundred and twenty five (125) pieces of clinical equipment that must be maintained in accordance with the Joint Commission standards. Much of this equipment is state of the art technology requiring service provided by specially trained and licensed technicians. The hospital staff lacks the necessary expertise to perform the required maintenance and repairs.

This contract was competitively bid. On October 16, 2014 the Department of Health and Human Services issued a Request for Proposals to solicit proposals to provide inspections, testing, maintenance and repairs to the clinical equipment located at New Hampshire Hospital. The request for proposals was available on the Department of Health and Human Services website from October 16, 2014 through November 14, 2014. There was one proposal submitted.

The proposal was evaluated by a team of Department of Health and Human Services employees with knowledge of the clinical equipment and the services needed at New Hampshire Hospital. The team also included staff with significant business and management expertise.

The proposal was evaluated based on the criteria published in the Request for Proposals. The University of Vermont and State Agricultural College was selected. The bid summary is attached.

The attached contract calls for the provision of these services for two and one half years and reserves the right to renew the agreement for up to two additional years, based upon satisfactory delivery of services, continued availability of support funds, and Governor and Executive Council approval.

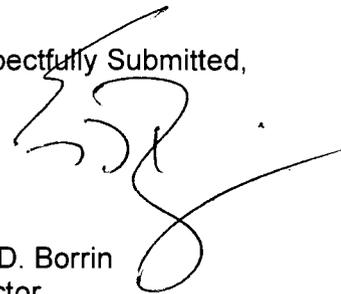
Should the Office of the Attorney General determine not to approve this request, equipment may not be maintained to ensure safe usage, thus placing New Hampshire Hospital at risk of losing accreditation with the Joint Commission and at increased risk of patient or staff injury and litigation.

Area Served: New Hampshire Hospital, Concord, NH

Source of Funds: Other Funds (agency café) 5%, General Funds: 66% and Federal Funds: 29% from the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, Medical Assistance Program, Code of Federal Domestic Assistance Number (CFDA) 93.778, Federal Award Identification Number (FAIN) NH 20144.

In the event that the federal funds become no longer available, no further general funds will be requested to support this contract.

Respectfully Submitted,



Eric D. Borrin
Director

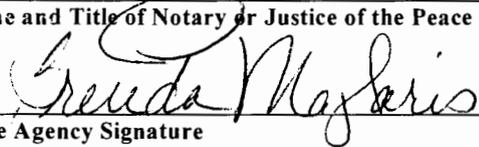
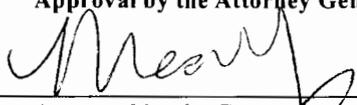
Subject: Clinical Equipment Testing, Maintenance and Repair

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name University of Vermont Technical Services Partnership		1.4 Contractor Address 280 East Avenue, Suite 2 Burlington, VT 05401-3437	
1.5 Contractor Phone Number (802) 656-3255	1.6 Account Number 05-095-094-940010- 84100000-024-500225- 94050130	1.7 Completion Date June 30, 2017	1.8 Price Limitation \$16,725
1.9 Contracting Officer for State Agency Eric D. Borrin		1.10 State Agency Telephone Number (603) 271-9558	
1.11 Contractor Signature Jennifer Gagnon, Associate Vice President for Research Administration		1.12 Name and Title of Contractor Signatory 	
1.13 Acknowledgement: State of _____, County of _____ On <u>2/27/15</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace 		Commission expires 2-10-2019	
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Robert J. MacLeod, CEO	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Megan A. Pope, Attorney 3/23/15			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

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

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

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

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

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

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

Contractor Initials:
Date:

FEB 27 2013

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

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

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

14. INSURANCE.

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

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

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

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

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

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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



Scope of Services

1. Provisions Applicable to All Services

- 1.1. The Contractor will provide inspections, testing, maintenance and repairs to the clinical equipment listed in Exhibit A-1 at the New Hampshire Hospital.
- 1.2. The Contractor will call the Health Safety Officer fifteen (15) days in advance to schedule an appointment for all services provided in this contract.
 - 1.2.1. When scheduling the appointment the Contractor will provide:
 - 1.2.1.1. a list of all equipment that will be serviced on that date; and
 - 1.2.1.2. who will be performing the services.
- 1.3. The Contractor will establish and maintain a computerized inventory, documentation and reporting system for all services on the clinical equipment.

2. Scope of Work

2.1. Inspections:

The Contractor shall conduct semi-annual (every six months) inspections of the equipment listed in Exhibit A-1 and as identified by New Hampshire Hospital, unless otherwise agreed upon by the Health Safety Officer.

2.1.1. Incoming inspections:

Incoming Inspections shall be performed on new clinical equipment prior to it being placed into service. Testing shall include electrical safety inspection and performance tests to verify it is operating within specifications and is in compliance with applicable codes and standards.

2.1.2. Electrical Safety Inspections:

Electrical safety inspections shall be performed on electrically powered clinical equipment in order to reduce the possibility of micro shock.

2.1.3. Equipment Inspection Forms:

A universal equipment inspection form shall be completed for each procedure done on a piece of equipment and given to the Healthcare Safety Officer of the Hospital at the completion of each visit.

2.1.4. Inspection Stickers:

Inspection stickers shall be placed on equipment as it is tested, indicating the date of next service, and inspector's name.

Equipment not passing the tests shall be tagged accordingly or removed from service.

2.2. Testing and Maintenance:



The Contractor shall conduct performance testing and preventative maintenance to all of the equipment listed in Exhibit A-1 on a semi-annual basis (every six months) unless otherwise agreed upon by the Health Safety Officer.

2.2.1. Performance tests:

Performance tests shall be performed on clinical equipment in accordance with accepted engineering practices and the current code requirements of the National Fire Protection Association (Code 99 for Healthcare Facilities) and The Joint Commission accreditation manuals.

2.2.2. Preventative maintenance:

Preventative maintenance shall be performed at the time of the performance test and shall include but not limited to:

- 2.2.2.1. Routine battery replacement;
- 2.2.2.2. Supplying any needed updates; and
- 2.2.2.3. Minor repairs and adjustments.

2.3. Repair Services:

Minor and major repair costs shall be specified upon agreement between the Contractor and the Hospital. Performance testing and incoming inspections shall be done to all repaired equipment prior to it being placed back into service. Repair services are defined as follows:

2.3.1. Minor Repair Services:

Minor repairs defined as requiring less than ½ hour labor shall be performed as an integral part of this agreement.

2.3.2. Major Repair Services:

Major repairs defined as requiring ½ hour or more of labor shall not be initiated until authorization is obtained from the Hospital.

2.4. Computerized Inventory System:

The Contractor shall establish and maintain an Inventory system for all of the Hospital's clinical equipment (Exhibit A-1). The Contractor shall:



- 2.4.1. Establish and maintain a database containing ongoing, pertinent information about the Hospital's clinical equipment;
- 2.4.2. Provide updated clinical equipment inventories to the Hospital's Health Safety Officer when a change occurs and at minimum on a quarterly basis; and
- 2.4.3. Generate semi-annual (every six (6) months) Preventative Maintenance (PM) Schedules in the prior month to facilitate efficient use of personnel hours.
- 2.4.4. New equipment shall be added to the appropriate schedule.

2.5. Documentation System:

The Contractor shall establish a documentation system to meet The Joint Commission (TJC) requirements for clinical equipment, it shall contain the following:

2.5.1. Policies and Procedures:

- 2.5.1.1. Policies and Procedures dealing with acceptable performance limits; and
- 2.5.1.2. Procedures used for inspection of the clinical equipment.

2.5.2. Equipment Inspection Forms:

- 2.5.2.1. Contractor shall use a Documentation Exception process, which documents failures only.
 - 2.5.2.1.1. A PM/inspection worksheet shall be completed only for those devices that fail to meet a routine, scheduled inspection against safety, performance or quality assurance criteria.
 - 2.5.2.1.2. All incoming inspections, other additions to inventory, and devices, which have undergone corrective maintenance, shall have a documented PM/inspection form and work order completed.
- 2.5.2.2. Copies of the equipment inspection forms shall be left with the Healthcare Safety Engineer of the Hospital at the completion of each scheduled visit.

2.5.3. Status Reports:

A status report shall be left with the Healthcare Safety Officer of the Hospital at the completion of each scheduled visit, describing any repairs, calibration or equipment removed from service for repairs or any other reason.



2.6. Reporting:

2.6.1. The Contractor will provide an updated quarterly report on all clinical equipment which will include but not be limited to the following information:

- 2.6.1.1. ECA Number;
- 2.6.1.2. Equipment Type;
- 2.6.1.3. Serial Number;
- 2.6.1.4. Model;
- 2.6.1.5. Manufacturer;
- 2.6.1.6. Location;
- 2.6.1.7. Status of Equipment (Active, inactive, no longer in service);
- 2.6.1.8. Date of last Service; and
- 2.6.1.9. Date of next service.

2.6.2. Quarterly reports are due on the following dates:

- 2.6.2.1. January – March (due by April 15th);
- 2.6.2.2. April – June (due by July 15th);
- 2.6.2.3. July – September (due by October 15th)
- 2.6.2.4. October – December (due by January 15th).

2.6.3. The Contractor will provide the Health Safety Officer an Equipment Management Report detailing the services performed during each Fiscal Year (July 1 – June 30) by July 10th with the following information:

- 2.6.3.1. ECA Number;
- 2.6.3.2. Equipment Type;
- 2.6.3.3. Serial Number;
- 2.6.3.4. Model;
- 2.6.3.5. Manufacturer;
- 2.6.3.6. Date equipment entered into service;
- 2.6.3.7. Life expectancy of equipment;
- 2.6.3.8. Location;
- 2.6.3.9. Status of Equipment (Active, inactive, no longer in service);
- 2.6.3.10. Service Performed;
- 2.6.3.11. Date of last Service; and
- 2.6.3.12. Date of next service.



3. Staff

- 3.1. The Contractor shall ensure trained and certified staff is available to arrive at the job site no later than two (2) hours after an emergency call is placed.
- 3.2. The Contractor shall ensure that employees who will be present on the Hospital campus:
 - 3.2.1. Have documentation of a criminal background check, which demonstrates no criminal offences;
 - 3.2.1.1. A copy of the documentation will be given to the Health Safety Officer prior to any employee providing services and shall be updated on an annual basis.
 - 3.2.2. Is available to complete a thirty (30) minute NHH orientation regarding patient confidentiality and boundaries; and
 - 3.2.3. Have certification and competency to perform the duties in the Scope of Services.

4. Delegation and Subcontractors

- 4.1. The Contractor will perform all services in this contract, no subcontractors will used.

Exhibit A-1
 NHH CLINICAL EQUIPMENT LIST 12/31/14

ECA #	Type	Serial #	Model	Manufacturer	Location
000186	THERMOMETER,ELECTRON	3120662	2080A	IVAC CORP	B125 (B106)
000431	CENTRIFUGE	2G0962	LABOFUGE	HERAEUS INSTRUMENTS	B126
000432	CENTRIFUGE	260962	LABOFUGE	HERAEUS INSTRUMENTS	B126
002735	MICROSCOPE	---	SPENCER	AEARO CORP (AMERICAN OPTICAL)	LAB
010274	SCALE,ADULT	---	NO MODEL	DETECTO SCALE CO DIV	B125
010314	PUMP,ENTERAL FEEDING	373545	NO MODEL	ABBOTT NUTRITION DIV	CSR
010316	PUMP,ENTERAL FEEDING	323360	FLEXIFLO	ABBOTT NUTRITION DIV	CSR (WAREHOUSE)
010317	PUMP,ENTERAL FEEDING	328914	FLEXIFLO	ABBOTT NUTRITION DIV	CSR (WAREHOUSE)
010318	PUMP,ENTERAL FEEDING	380129	COMPANION	ABBOTT NUTRITION DIV	CSR (WAREHOUSE)
010320	PUMP,ENTERAL FEEDING	392234	FLEXIFLO	ABBOTT NUTRITION DIV	CSR (WAREHOUSE)
010321	PUMP,ENTERAL FEEDING	347334	FLEXIFLO	ABBOTT NUTRITION DIV	CSR (WAREHOUSE)
010322	PUMP,ENTERAL FEEDING	405235	NO MODEL	ABBOTT NUTRITION DIV	CSR (WAREHOUSE)
016498	SCALE,ADULT	---	NO MODEL	DETECTO SCALE CO DIV	THS ??
019058	MICROSCOPE	---	150	AEARO CORP (AMERICAN OPTICAL)	B126
019566	AUDIOSCOPE	516	23300	WELCH ALLYN	B106
103593	OXIMETER,MULTIWAVELE	1056	KMS850	KW-MED INC (KELLER)	B125
103627	OTO/OPTHALMOSCOPE	---	74710	WELCH ALLYN	B107
103628	OTO/OPTHALMOSCOPE	---	74710	WELCH ALLYN	B106
104815	OTO/OPTHALMOSCOPE	---	74710	WELCH ALLYN	E148A
104816	OTO/OPTHALMOSCOPE	---	74710	WELCH ALLYN	C148A
104817	OTO/OPTHALMOSCOPE	---	74710	WELCH ALLYN	D148A
104818	OTO/OPTHALMOSCOPE	---	74710	WELCH ALLYN	G248A
104819	OTO/OPTHALMOSCOPE	---	74710	WELCH ALLYN	F148
104820	OTO/OPTHALMOSCOPE	---	74710	WELCH ALLYN	APC (WAREHOUSE)
104821	OTO/OPTHALMOSCOPE	---	74710	WELCH ALLYN	H248A
105173	INFUSION PUMP	12210478	PLUM XL	HOSPIRA INC	J257
105174	INFUSION PUMP	12210460	PLUM XL	HOSPIRA INC	J257
105175	INFUSION PUMP	12210292	PLUM XL	HOSPIRA INC	J257
105938	OTO/OPTHALMOSCOPE	---	74710	WELCH ALLYN	J257
105971	ASPIRATOR	15099-M157	88-00-01	LAERDAL MEDICAL	CSR
105972	ASPIRATOR	15099-M157	88-00-01	LAERDAL MEDICAL	CSR (WAREHOUSE)
105973	ASPIRATOR	15099-M157	88-00-01	LAERDAL MEDICAL	CSR (WAREHOUSE)

Exhibit A-1
 NHH CLINICAL EQUIPMENT LIST 12/31/14

ECA #	Type	Serial #	Model	Manufacturer	Location
108814	ULTRASOUND,THERAPEUTI	99C4940	716	SONICAID	J268 (J246A)
109166	AUDIOSCOPE	--	23300	WELCH ALLYN	CSR (F148A)
200017	AUDIOSCOPE	--	23300	WELCH ALLYN	B106
200018	AUDIOMETER	--	71123	WELCH ALLYN	CSR (WAREHOUSE)
200999	ELECTROCARDIOGRAPH	US00607220	M1770A	PHILIPS MEDICAL	B127
201294	MONITOR,SPO2	12380397	2500	NONIN MEDICAL INC	CSR
201180	ASPIRATOR	PL159671	880020	LAERDAL MEDICAL	NEERS
201283	ASPIRATOR	PL159415	880020	LAERDAL MEDICAL	H248A
201284	ASPIRATOR	PL159412	880020	LAERDAL MEDICAL	CSR (WAREHOUSE)
201285	ASPIRATOR	PL159417	880020	LAERDAL MEDICAL	F148
201286	ASPIRATOR	PL159419	880020	LAERDAL MEDICAL	J229A (D148A)
201287	ASPIRATOR	PL159414	880020	LAERDAL MEDICAL	G UNIT
201288	ASPIRATOR	PL159418	880020	LAERDAL MEDICAL	E UNIT (WAREHOUSE)
201289	ASPIRATOR	PL159416	880020	LAERDAL MEDICAL	C148A
201290	MONITOR,SPO2	--	2500	NONIN MEDICAL INC	E143A
201292	MONITOR,SPO2	123804013	2500	NONIN MEDICAL INC	C/D
201293	MONITOR,SPO2	--	2500	NONIN MEDICAL INC	G UNIT
201581	OXYGEN CONCENTRATOR	04G720603	PLATINUM XL	INVACARE	---
201725	THERMOMETER,ELECTRON	4339039	692	WELCH ALLYN	D UNIT
201726	THERMOMETER,ELECTRON	4339043	692	WELCH ALLYN	C UNIT (WAREHOUSE)
201727	THERMOMETER,ELECTRON	4339046	692	WELCH ALLYN	G UNIT
201728	THERMOMETER,ELECTRON	4339051	692	WELCH ALLYN	CSR (WAREHOUSE)
201730	THERMOMETER,ELECTRON	4339058	692	WELCH ALLYN	NEERS
201731	THERMOMETER,ELECTRON	--	692	WELCH ALLYN	I UNIT
201732	THERMOMETER,ELECTRON	4339065	692	WELCH ALLYN	E UNIT
201733	THERMOMETER,ELECTRON	4339069	692	WELCH ALLYN	H UNIT
201734	THERMOMETER,ELECTRON	4339070	692	WELCH ALLYN	B125
201735	THERMOMETER,ELECTRON	4339071	692	WELCH ALLYN	F UNIT
201775	MONITOR,SPO2	12690229	2500	NONIN MEDICAL INC	THS
201811	DEFIBRILLATOR,AUTOMAT	X04I043473	AED PLUS	ZOLL MEDICAL CORP(ZMI	-- (SPARE)
201812	DEFIBRILLATOR,AUTOMAT	x04050170	AED PLUS	ZOLL MEDICAL CORP(ZMI	C UNIT
201813	DEFIBRILLATOR,AUTOMAT	X04C030778	AED PLUS	ZOLL MEDICAL CORP(ZMI	APC (MEDICAL)
201814	DEFIBRILLATOR,AUTOMAT	x04I050167	AED PLUS	ZOLL MEDICAL CORP(ZMI	G UNIT

Exhibit A-1
 NHH CLINICAL EQUIPMENT LIST 12/31/14

ECA #	Type	Serial #	Model	Manufacturer	Location
201815	DEFIBRILLATOR,AUTOMAT	X04I050160	AED PLUS	ZOLL MEDICAL CORP(ZMI)	SECURITY
201816	DEFIBRILLATOR,AUTOMAT	X04L050151	AED PLUS	ZOLL MEDICAL CORP(ZMI)	2ND FLR (PAC LOBBY K216)
201817	DEFIBRILLATOR,AUTOMAT	X04I043478	AED PLUS	ZOLL MEDICAL CORP(ZMI)	E UNIT
201818	DEFIBRILLATOR,AUTOMAT	X04L050159	AED PLUS	ZOLL MEDICAL CORP(ZMI)	RM J-257
201819	DEFIBRILLATOR,AUTOMAT	X04I043467	AED PLUS	ZOLL MEDICAL CORP(ZMI)	APC (F UNIT EXIT TO YARD)
202065	DEFIBRILLATOR,AUTOMAT	X05I068791	AED PLUS	ZOLL MEDICAL CORP(ZMI)	M.E.T.
202157	MONITOR,SPO2	--	2500	NONIN MEDICAL INC	J256
202158	MONITOR,SPO2	129105325	2500	NONIN MEDICAL INC	E/F UNIT
202159	MONITOR,SPO2	(552028232007155 00)	2500	NONIN MEDICAL INC	C143A
202160	MONITOR,SPO2	12910558	2500	NONIN MEDICAL INC	G/H UNITS
202161	SCALE,ADULT	--	NO MODEL	NO MANUFACTURER	HG248A
202243	OXYGEN CONCENTRATOR	06CSI366397 (06CSZ366397)	PLATINUM XL (IRC5LX)	INVACARE	-- (STOCK ROOM)
202244	OXYGEN CONCENTRATOR	06DF026771	PLATINUM XL	INVACARE	--
202248	MONITOR,NIBP,SPO2	--	SPOT	WELCH ALLYN	CSR
202250	SCALE,ADULT	E11806-0556	758C	DETECTO SCALE CO DIV	E148A (WAREHOUSE)
202260	THERMOMETER,ELECTRON	11105675	04000-200 (PRO 4000)	WELCH ALLYN	H UNIT
202261	THERMOMETER,ELECTRON	11105680	04000-200 (PRO 4000)	WELCH ALLYN	TERS
202262	THERMOMETER,ELECTRON	11105650	04000-200 (PRO 4000)	WELCH ALLYN	CSR (WAREHOUSE)
202263	THERMOMETER,ELECTRON	11105672	04000-200	WELCH ALLYN	TERS
202291	SCALE,ADULT	E12606-0065	758C	DETECTO SCALE CO DIV	H248A (J202)
202301	THERMOMETER,ELECTRON	6177930	692	WELCH ALLYN	CSR (WAREHOUSE)
202302	THERMOMETER,ELECTRON	6177678	692	WELCH ALLYN	TERS
202318	OXYGEN CONCENTRATOR	06FF008475	PLATINUM XL (IRC5LX)	INVACARE	--
202319	SCALE,ADULT	E15706-0045	758C	DETECTO SCALE DIV	F148
202320	SCALE,ADULT	E15706-0053	758C	DETECTO SCALE DIV	C148A
202321	SCALE,ADULT	E15206-0150	758C	DETECTO SCALE DIV	D148A
202402	ASPIRATOR	LP1005013	NO MODEL	SUNRISE MEDICAL INC	J224A
202403	ASPIRATOR	--	NO MODEL	SUNRISE MEDICAL INC	CSR (I UNIT)
202404	ASPIRATOR	--	NO MODEL	SUNRISE MEDICAL INC	J229A
202650	SCALE,ADULT	--	PRO SERIES	HEALTH O METER INC	J202
202711	SCALE,ADULT	2500-000585	PRO SERIES	HEALTH O METER INC	B108
202823	MONITOR,NIBP,SPO2,TEMP	200715580	SPOT (VITAL SIGNS)	WELCH ALLYN INC	H UNIT

Exhibit A-1
 NHH CLINICAL EQUIPMENT LIST 12/31/14

ECA #	Type	Serial #	Model	Manufacturer	Location
202824	MONITOR, NIBP, SPO2, TEMP	20071561	SPOT (VITAL SIGNS)	WELCH ALLYN INC	G248A
202826	MONITOR, NIBP, SPO2, TEMP	20071546	SPOT (VITAL SIGNS)	WELCH ALLYN INC	C UNIT (WAREHOUSE)
202884	SCALE, ADULT	E31807-0151	750	DETECTO SCALE DIV	CSR (G248A)
202885	SCALE, ADULT	E30307-0044	750	DETECTO SCALE DIV	CSR (WAREHOUSE)
202886	MONITOR, NIBP, SPO2, TEMP	200722145	SPOT (VITAL SIGNS)	WELCH ALLYN INC	D UNIT
202887	MONITOR, NIBP, SPO2, TEMP	200722709	SPOT (VITAL SIGNS)	WELCH ALLYN INC	E UNIT (WAREHOUSE)
202888	MONITOR, NIBP, SPO2, TEMP	200722138	SPOT (VITAL SIGNS)	WELCH ALLYN INC	F UNIT (J203)
202889	MONITOR, NIBP, SPO2, TEMP	200722124	SPOT (VITAL SIGNS)	WELCH ALLYN INC	CSR (B125A)
202890	MONITOR, NIBP, SPO2, TEMP	200722131	SPOT (VITAL SIGNS)	WELCH ALLYN INC	NEERS
202891	MONITOR, NIBP, SPO2, TEMP	200722140	SPOT (VITAL SIGNS)	WELCH ALLYN INC	CSR (F148A)
202892	MONITOR, NIBP, SPO2, TEMP	200722141	SPOT (VITAL SIGNS)	WELCH ALLYN INC	J203
202980	HELMET PAPER	0705409-	MAX AIR	BIO-MED DEVICES INC	NONE
202983	THERMOMETER, INFRARED	1110915511	6021	BRAUN MEDICAL	NONE
202984	THERMOMETER, INFRARED	11109068893	6021	BRAUN MEDICAL	CSR (WAREHOUSE)
203107	SCANNER, ULTRASOUND, BL	---	BVI 9400	VERATHON	B126
203172	THERMOMETER, INFRARED	A195080	TAT-5000	EXERGEN CORP(OMEGA)	B125
203173	THERMOMETER, INFRARED	A190504	TAT-5000	EXERGEN CORP(OMEGA)	F UNIT
203174	THERMOMETER, INFRARED	A195664	TAT-5000	EXERGEN CORP(OMEGA)	C/D UNITS
203175	THERMOMETER, INFRARED	A195993	TAT-5000	EXERGEN CORP(OMEGA)	NONE (NEERS)
203176	THERMOMETER, INFRARED	A196705	TAT-5000	EXERGEN CORP(OMEGA)	G/H UNITS
203177	THERMOMETER, INFRARED	A195968	TAT-5000	EXERGEN CORP(OMEGA)	J257
PB0602	ELECTROENCEPHALOGRAPH	PB06029	EEG	VIASYS HEALTHCARE	---
301582	OXYGEN CONCENTRATOR	13GF044502	PLATINUM 10	INVACARE	---
301584	OXYGEN CONCENTRATOR	13GF044499	PLATINUM 10 (IRC10LX02)	INVACARE	---
012448	NEBULIZER	110500043059	S3000 (INACTIVE)	SCHUCO INC	---
012450	NEBULIZER	110500043207	S3000 (INACTIVE)	SCHUCO INC	---
200762	THERMOMETER, INFRARED	J0218796	3000A	SHERWOOD MEDICAL CO	---
200785	THERMOMETER, INFRARED	J0140126	3000A	SHERWOOD MEDICAL CO	WAREHOUSE
201294	MONITOR, SP02	123803978	2500	NONIN MEDICAL INC	WAREHOUSE
201312832	MONITOR, NIBP, SP02, TEMP	201312832	SPOT VITAL SIGNS	WELCH ALLYN	---
201312835	MONITOR, NIBP, SP02, TEMP	201312835	SPOT VITAL SIGNS	WELCH ALLYN	---
201717	THERMOMETER, INFRARED	10106227566	PRO3000	WELCH ALLYN	F UNIT
201719	THERMOMETER, INFRARED	10106411208	PRO3000	WELCH ALLYN	D UNIT

Exhibit A-1
 NHH CLINICAL EQUIPMENT LIST 12/31/14

ECA #	Type	Serial #	Model	Manufacturer	Location
201720	THERMOMETER, INFRARED	---	THERMOSCAN	BRAUN MEDICAL INC	D UNIT
201721	THERMOMETER, INFRARED	10106412726	PRO3000	WELCH ALLYN	NEERS
201722	THERMOMETER, INFRARED	10106413330	PRO3000	WELCH ALLYN	E UNIT
201794	THERMOMETER, INFRARED	10106473621	PRO3000	WELCH ALLYN	G/H UNITS
201795	THERMOMETER, INFRARED	10106412482	PRO3000	WELCH ALLYN	J203
201797	THERMOMETER, INFRARED	10106473510	PRO3000	WELCH ALLYN	WAREHOUSE
201973	THERMOMETER, INFRARED	J9849482	3000A	SHERWOOD MEDICAL CO	WAREHOUSE
202242	BP GAUGE	60328072924	---	WELCH ALLYN	---
202827	SCALE, ADULT	E21307-0249	---	DETECTO SCALE CO	---
203225	THERMOMETER, INFRARED	---	TAT-5000	EXERGEN CORP(OMEGA MED)	---
203227	THERMOMETER, INFRARED	---	TAT-5000	EXERGEN CORP(OMEGA MED)	---
203229	THERMOMETER, INFRARED	217313	TAT-5000	EXERGEN CORP(OMEGA MED)	---
203230	THERMOMETER, INFRARED	---	TAT-5000	EXERGEN CORP(OMEGA MED)	G/H UNITS
203231	THERMOMETER, INFRARED	---	TAT-5000	EXERGEN CORP(OMEGA MED)	WAREHOUSE
203232	THERMOMETER, INFRARED	---	TAT-5000	EXERGEN CORP(OMEGA MED)	C/D UNITS
203237	THERMOMETER, INFRARED	A217737	TAT-5000	EXERGEN CORP(OMEGA MED)	E/F UNITS
203304	PUMP, ENTERAL FEEDING	C13040581	KANGAROO PET	COVIDIEN (TYCO HLTH CARE)	---
203305	PUMP, ENTERAL FEEDING	C1363692	KANGAROO PET	COVIDIEN (TYCO HLTH CARE)	---
203306	PUMP, ENTERAL FEEDING	C13051586	KANGAROO PET	COVIDIEN (TYCO HLTH CARE)	---
203307	PUMP, ENTERAL FEEDING	C13050278	KANGAROO PET	COVIDIEN (TYCO HLTH CARE)	---
203314	THERMOMETER, INFRARED	A345723	TAT-5000	EXERGEN CORP(OMEGA MED)	STOCK ROOM
203322	MONITOR, NIBP, SP02, TEMP	201312837	SPOT VITAL SIGNS	WELCH ALLYN	---
000274	DUST COLLECTOR	---	D60	BALDOR	B117
000431	CENTRIFUGE	2G0962	LABOFUGE 400	HERAEUS INSTRUMENTS	B126
000432	CENTRIFUGE	260962	LABOFUGE 400	HERAEUS INSTRUMENTS	B126
000441	ANALYZER, LAB	5060	5006056	DENTALEZ GROUP	B126
80260380	PARTICLE GENERATOR	80260380	8026	TSI INC	---
009145	THERMOMETER, INFRARED	J0033666	3000A	SHERWOOD MEDICAL CO	POND
---	Powerflex Stretchers	---	---	FERRO	---
---	Powerflex Stretchers	---	---	FERRO	---
---	Powerflex Stretchers	---	---	FERRO	---
---	Powerflex Stretchers	---	---	FERRO	---



Exhibit B

METHOD AND CONDITIONS PRECEDENT TO PAYMENT

1. Subject to the availability of Federal funds, and in consideration for the Contractor's compliance with the terms and conditions of this agreement, and for the services provided by the Contractor pursuant to Exhibit A, Scope of Services, and expenses incurred, the Department shall pay the Contractor an amount not to exceed, Form P-37, block 1.8, Price Limitation.
 - 1.1. This contract is funded with general funds and with funds from U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, Medical Assistance Program, Catalog of Federal Domestic Assistance (CFDA #) 93.778, Federal Award Identification Number (FAIN) NH20144 for provision of services pursuant to Exhibit A, Scope of Services.
2. The cost of scheduled preventative maintenance and calibration for items detailed in the clinical equipment inventory (Exhibit A-1) shall be subject to the following requirements:
 - 2.1. Preventative Maintenance inspections shall include minor repairs requiring less than ½ hour labor and replacement of parts valued at less than ten dollars (\$10) per maintenance visit for each item.
 - 2.2. Cost of additional repairs shall be one hundred forty-nine dollars (\$149) per hour / Nine Hundred Five dollars (\$905) per day for repairs performed from Monday through Friday, 8:00 AM to 4:30 PM.
 - 2.3. Emergency after-hours repairs shall be charged two hundred twenty-three dollars and fifty cents (\$223.50) per hour for a minimum of three (3) hours. After-hours shall be considered weekends, holidays, and weekdays after 4:30 PM.
 - 2.4. Monthly invoices shall be submitted by the Contractor to the following address:

New Hampshire Hospital
Financial Services
36 Clinton Street
Concord, NH 03301
3. Equipment additions to inventory shall not affect the contract price if they are replacements for items on the list. There will be no cost change to the contract if the inventory list changes and stays within 10% of the net number of items.
4. Payments may be withheld pending receipt of required reports, summaries, and updates as defined in Exhibit A.
5. A final payment request shall be submitted no later than sixty (60) days after the contact ends.
6. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this contract may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the services provided, or if the said services have not been completed in accordance with the terms and conditions of this Agreement.



SPECIAL PROVISIONS

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

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

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

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

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

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New Hampshire Department of Health and Human Services
Exhibit C



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

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

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

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

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

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

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

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

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

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

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

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

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

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis

New Hampshire Department of Health and Human Services
Exhibit C



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

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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

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REVISIONS TO GENERAL PROVISIONS

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

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CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

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New Hampshire Department of Health and Human Services
Exhibit D



has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

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

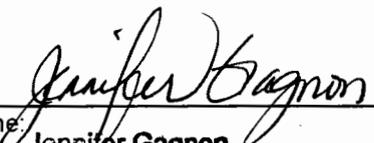
Place of Performance (street address, city, county, state, zip code) (list each location)

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

Contractor Name:

FEB 27 2015

Date


Name: _____
Title: **Jennifer Gagnon,
Associate Vice President
for Research Administration**

Contractor Initials

Date



FEB 27 2015



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

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

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

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

Contractor Name:

FEB 27 2015
Date


Name _____
Title **Jennifer Gagnon,
Associate Vice President
for Research Administration**

Exhibit E – Certification Regarding Lobbying

Contractor Initials 

Date **FEB 27 2015**



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

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

INSTRUCTIONS FOR CERTIFICATION

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

[Handwritten Signature]

FEB 27 2015



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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

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

Contractor Name:

FEB 27 2015
Date

Name:
Title:

Janifer Egnon

Contractor Initials

Date

JE

FEB 27 2015



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

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

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

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

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

Exhibit G

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Contractor Initials

New Hampshire Department of Health and Human Services
Exhibit G



In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

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

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

Contractor Name:

FEB 27 2015

Date

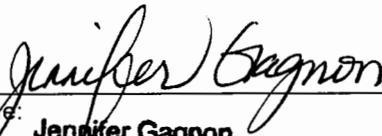

Name: _____
Title: **Jennifer Gagnon,
Associate Vice President
for Research Administration**

Exhibit G

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Contractor Initials





CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

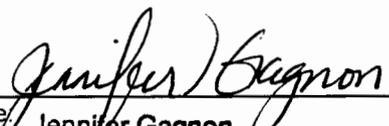
The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

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

Contractor Name:

FEB 27 2015

Date


Name: Jennifer Gagnon,
Title: **Associate Vice President
for Research Administration**

Contractor Initials

Date


FEB 27 2015



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) **Definitions.**

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



Exhibit I

- i. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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

JH



Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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



Exhibit I

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

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

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Exhibit I

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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



Exhibit I

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

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

**University of Vermont and
State Agricultural College**

The State

Name of the Contractor

Robert MacLead
Signature of Authorized Representative

Jennifer Gagnon
Signature of Authorized Representative

Robert J. MacLead
Name of Authorized Representative

Jennifer Gagnon
Name of Authorized Representative

CEO
Title of Authorized Representative

Associate Vice President
for Research Administration
Title of Authorized Representative

March 11, 2015
Date

FEB 27 2015
Date



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

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

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

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

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

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

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

Contractor Name:

FEB 27 2015
Date


Name: _____
Title: _____



FORM A

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

1. The DUNS number for your entity is: 06-681-1191
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

_____ NO YES

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

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

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

_____ NO YES

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

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

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

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